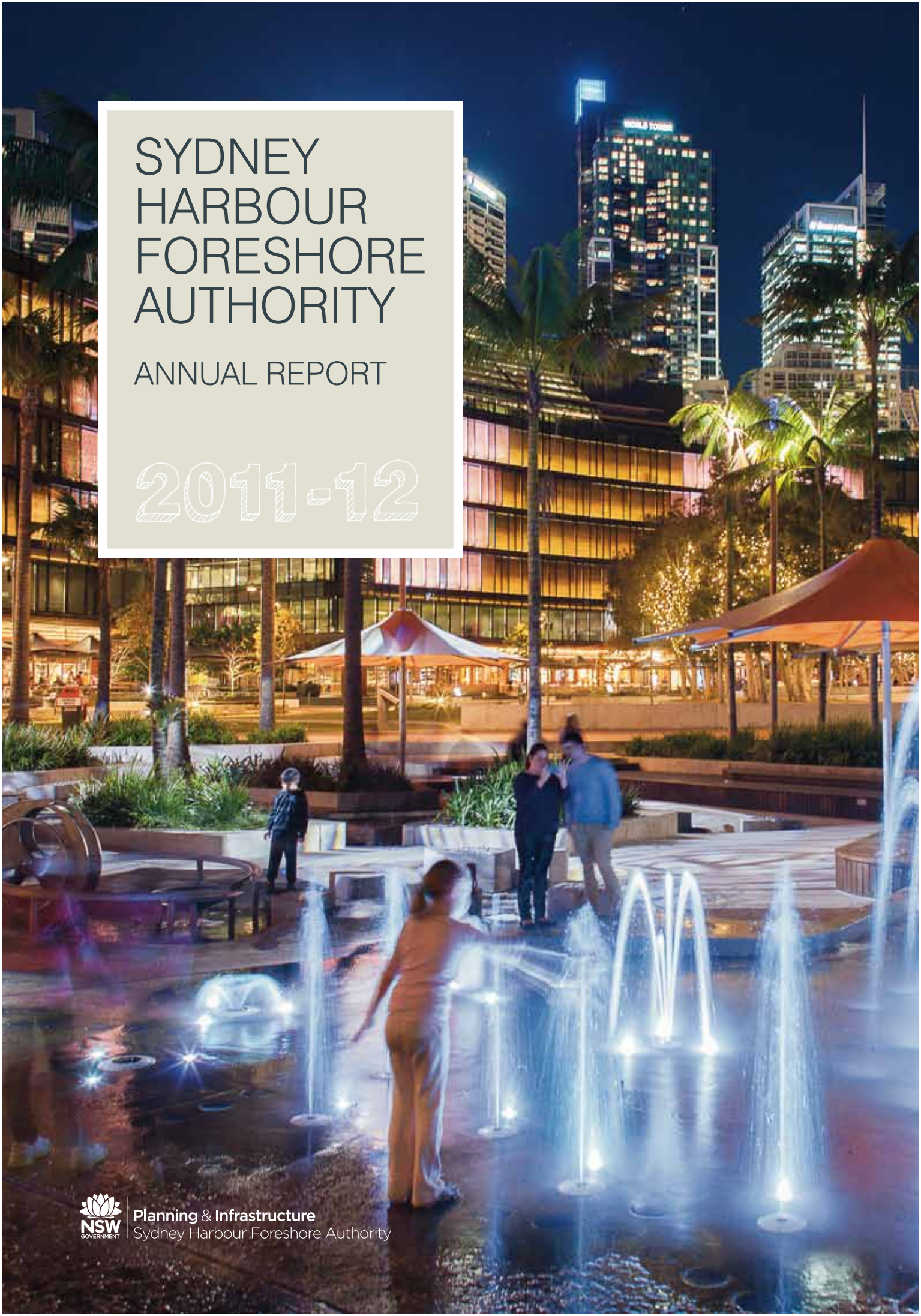
SYDNEY HARBOUR FORESHORE AUTHORITY

ANNUAL REPORT

2011-12



NSW GOVERNMENT | Planning & Infrastructure
Sydney Harbour Foreshore Authority

Letter to the Minister

The Hon Brad Hazzard MP
Minister for Planning and Infrastructure
Minister Assisting the Premier
on Infrastructure NSW
Level 31, 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 2012.

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.

Dick Persson AM

Chairman

Sam Haddad

Director General
Department of Planning
and Infrastructure

Vision

To make unique places in Sydney that the world talks about

Purpose

To create and sustain living places and great experiences

The Authority does this by:

+ Managing places profitably and socially to deliver excellence in its role as manager for Sydney's significant waterfront and other precincts, while balancing visitor, community and commercial expectations. As custodian, to ensure the preservation and interpretation of its natural and cultural heritage.
+ Promoting places effectively to capitalise on the economic and cultural worth of our places, as core attractions for both Sydneysiders and visitors.
+ 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


CONNECTING
people with
amazing
places

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, The Rocks and Darling Harbour.

With more than $1 billion in assets and around 210 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 around 140 heritage items.

The Authority also operates marketing and tourism services and holds significant events in The Rocks and Darling Harbour each year. Between them, the precincts attract around 40 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, such as Callan Park and King Street Wharf.

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.

On 15 August 2012, the Acting General Manager announced the Authority would undergo a restructure to create a more focused organisation and deliver a clear future for Sydney's foreshore. It is expected to be completed in early 2013.

*The number of people movements recorded.
See page 35 for details on how figures are calculated.

Achievements 2011–12

+ **Vacancy rates down**
  Achieved a retail vacancy rate of 1.2 per cent and a commercial vacancy rate of 2.8 per cent in The Rocks—a substantial improvement on previous years
+ **New playground**
  Officially opened Darling Quarter children's playground to the public
+ **Community consultation**
  Concluded community consultation for the Bays Precinct
+ **Innovation**
  Launched an interactive digital walking tour of The Rocks
+ **Record numbers**
  Welcomed 114,213 visitors to The Rocks Discovery Museum—its largest number of visitors yet
+ **1.53 million**
  Produced events in Darling Harbour and The Rocks that were attended by around 1.53 million people*
+ **Improvements**
  Implemented a number of work health and safety improvements in line with new legislation

Left: Aboriginal Interpretation Officer Gabi Widders at Dawes Point

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 heritage-listed buildings. It also manages 274 retail and commercial tenants including waterfront cafes, restaurants, bars and contemporary shopping, as well as 23 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 its visitors while protecting and enhancing its heritage. 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 Sydneysiders and visitors.

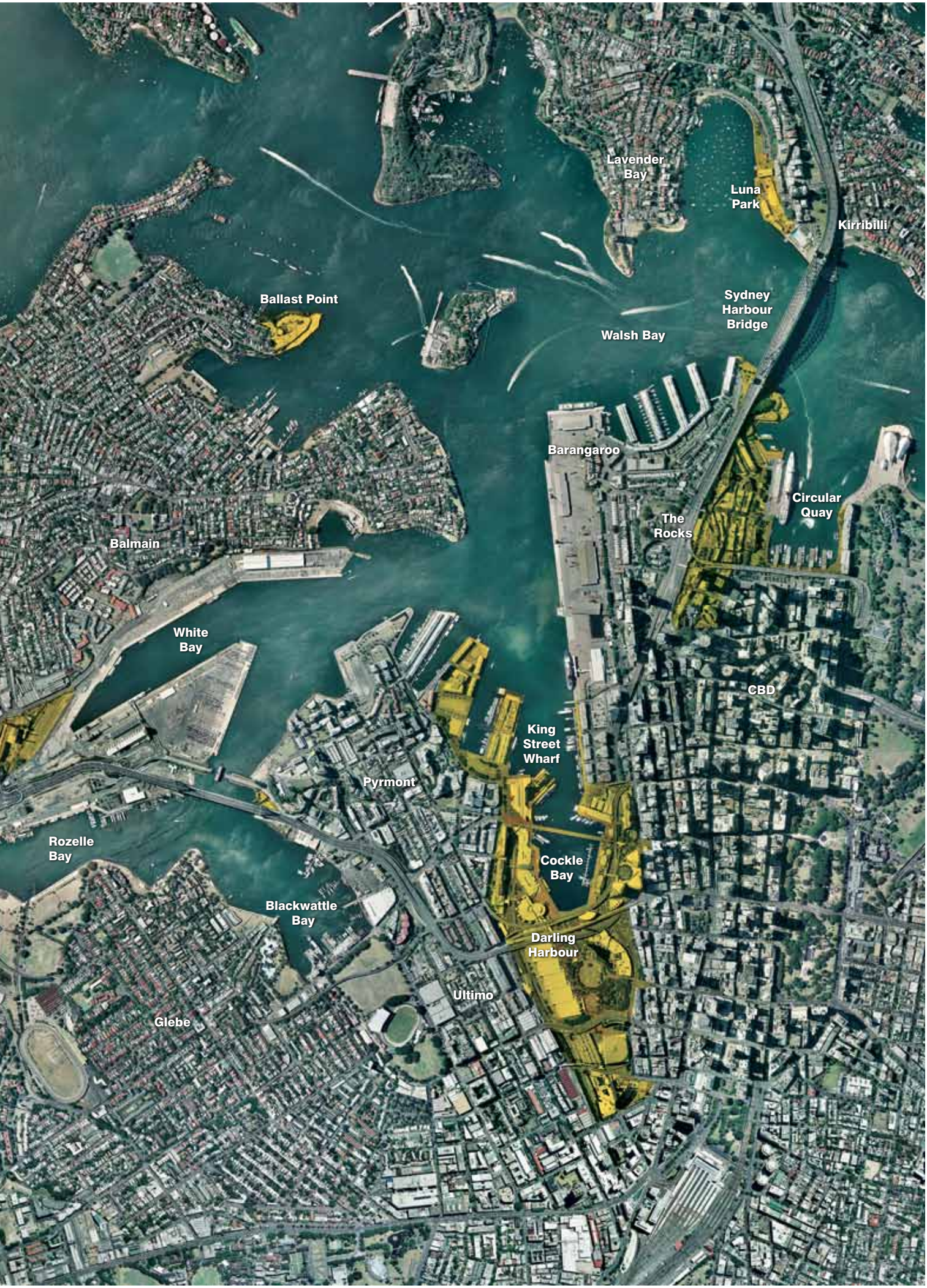
Darling Harbour

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 108 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.

The Authority also owns State-significant sites at White Bay Power Station, Rozelle railway yards and Ballast Point; is responsible for 28 tenancies at Pyrmont, Rozelle, Lilyfield and White Bay; and manages Luna Park Reserve Trust, Callan Park and Cooks Cove Development Corporation.

Major owned or managed lands (boundaries are indicative only)


Lavender Bay
Luna Park
Kirribilli
Ballast Point
Sydney Harbour Bridge
Walsh Bay
Barangaroo
Circular Quay
The Rocks
Balmain
White Bay
CBD
King Street Wharf
Pyrmont
Rozelle Bay
Cockle Bay
Blackwattle Bay
Darling Harbour
Ultimo
Glebe

Performance 2011–12

The table below shows results under the four key business outcomes: business effectiveness, stakeholders and customers, organisational health and financial performance. Further information about strategic actions, as well as achievements and challenges, can be found at the beginning of each section of this report.

Key Performance Indicators		Target 2011–12	Result 2011–12	Target achieved	Improvement on 2010–11	Result 2010–11	Result 2009–10	Result 2008–09	Target 2012–13
Business effectiveness – see page 17									
Retail vacancy rate[1] – proportion of the Authority's retail properties that are vacant as at 30 June 2012 (excluding ground leases from lettable area)		< 5.4%	1.21%	✔	Yes	4.81%	2.36%	1.55%	< 9.5%
Commercial vacancy rate[1] – proportion of the Authority's commercial properties that are vacant as at 30 June 2012(excluding ground leases from lettable area)		< 9.3%	2.79%	✔	Yes	15.08%[2]	17.05%[2]	17.84%	< 8.2%
Percentage of debt outstanding for 90 days or more – as a proportion of yearly revenue		< 2%	0.1%	✔	Yes	0.3%	0.6%	1.6%	< 2%
Annual sick days per employee		< 8.1 days	8.1 days	✔	No	7.5 days	7.9 days	7.6 days	< 8.1 days
Annual reported safety incidents per employee		0.00	0.00	✔	Yes	0.06	0.05	0.12	0.00
Reduction in energy and water consumption – based on the Authority's year 2020 sustainability targets (reductions measured from year 2000 base)	Energy	–20%	–21.41%	✔	Yes	–18.76%	–20.8%	–19.3%	–23%
	Water	–26.5%	–26.01%	–	No	–26.31%	–31.9%	–39.6%	–27%
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	530 cars	–	No	577 cars	605 cars	548 cars	> 600 cars
Average yearly CO_2 emissions per vehicle of the Authority's fleet based on fuel consumption		2.9	2.5	✔	Yes	3.2	3.0	3.5	2.9
Paper usage per full-time employee		< 35 kg	33.8 kg	✔	No	33.6 kg	34.5 kg	32 kg	< 35 kg
Stakeholders and customers – see page 25									
Tenant sales turnover growth – percentage change in yearly tenant sales turnover based on 90 tenants supplying figures as per their lease agreement		> 3%	0.9%	–	No	5.8%	2.0%	–5.3%	>3%
Average international visitor spend[3]	The Rocks	> $80	$102.04	✔	Yes	$94.65	$104.50	$98.41	> $80
	Darling Harbour		$97.43	✔	Yes	$87.39	$96.58	$110.24	
Average domestic visitor spend[3]	The Rocks	> $100	$119.55	✔	Yes	$90.12	$112.60	$60.93	> $100
	Darling Harbour		$121.09	✔	No	$126.73	$109.78	$59.92	
Average Sydneysider visitor spend[3]	The Rocks	> $60	$56.40	–	No	$59.24	$70.90	$60.93	> $60
	Darling Harbour		$58.32	–	No	$59.45	$56.64	$59.92	
Change in visitor numbers compared to previous year	The Rocks	> 2%	+0.3%	–	Yes	–1.1%	5.1%	0.4%	> 2%
	Darling Harbour		+2.8%	–	Yes	–0.1%	1.0%	–2.4%	
	All Precincts		+1.9%	–	Yes	–0.4%	2.4%	–1.5%	

Key Performance Indicators		Target 2011–12	Result 2011–12	Target achieved	Improvement on 2010–11	Result 2010–11	Result 2009–10	Result 2008–09	Target 2012–13
Stakeholders and customers – continued									
The Rocks Discovery Museum visitor numbers		> 95,000	114,213	✔	Yes	110,771	106,395	90,495	> 100,000
The Rocks Markets visitor numbers		> 1,500,000	1,510,199	✔	No	1,602,597	1,584,607	1,535,911	> 1,500,000
Chinese Garden of Friendship visitor numbers		> 190,000	203,307	✔	Yes	192,354	201,452	176,499	> 190,000
Sydney Convention and Exhibition Centre economic contribution – based on Sydney Convention and Visitor Bureau estimated spend per type of delegate		> $484 million	$431.48 million	–	No	$440.18 million	$501 million	$466 million	> $465 million
Average length of Sydneysider visitor stay[3]	The Rocks	> 3 hours	3 hrs 6 mins	✔	No	3 hrs 17 mins	3 hrs 13 mins	3 hrs 7 mins	> 3 hours
	Darling Harbour		3 hrs 2 mins	✔	No	3 hrs 31 mins	3 hrs 2 mins	3 hrs 7 mins	
Average number of repeat visits annually[3]	The Rocks	> 5.5 visits	5.1 visits	–	No	6 visits	5.8 visits	5.3 visits	> 5.5 visits
	Darling Harbour	> 7 visits	6.4 visits	–	No	7.1 visits	7.1 visits	7 visits	> 7 visits
Number of safety-related incidents per 100,000 visitors	The Rocks	< 1.5	0.50	✔	Yes	0.57	0.46	0.93	> 1.5
	Darling Harbour		0.15	✔	Yes	0.20	0.36	0.41	
Visitor cleanliness score[3] – scale of 1 to 10	The Rocks	> 7	7.9	✔	Yes	6.32	7.9	n/a	> 7
	Darling Harbour		6.92	–	Yes	6.65	7.6	n/a	
Average perception of amenities and public infrastructure[3] – scale of 1 to 10	The Rocks	> 7	8	✔	Yes	6.29	7.0	n/a	> 7
	Darling Harbour		6.93	–	Yes	6.62	7.3	n/a	
Organisational health – see page 37									
Average number of training days undertaken by each staff member during the year		> 3 days	1	–	No	2.48	2.41 days	1.86 days	> 3 days
Turnover for full and part-time permanent employees		< 15%	5.35%	✔	Yes	12.38%	8.5%	10.6%	< 15%
Financial performance – see page 47									
Precinct earnings before interest, tax, depreciation and amortisation (EBITDA)[4]		(10.580)	(2.053)	✔	No	11.156	1.663	8.946	(9.632)
Property revenue growth		>2.5%	4.3%	✔	No	5.7%	(0.1%)	(2.9%)	>2.5%
Percentage expenditure reduction on previous year		>2.5%	0.9%	–	No	3.7%	0.5%	1.3%	>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 was difficult to lease.
3 Based on face-to-face surveys conducted in our precincts.
4 This excludes investment and property, plant and equipment valuations, and defined benefits superannuation.

Chairman's message

It has been a rewarding first year for me as Chairman of Sydney Harbour Foreshore Authority, in which I've witnessed many milestones.

Our integration with the Department of Planning and Infrastructure has ensured the Authority will have a greater leadership role in foreshore land use management and development; delivering better outcomes for Sydney and NSW.

Sydney's inner foreshores are economically, culturally and environmentally important to our State, and ensuring their best possible use is a crucial part of placing NSW first. The Authority is well positioned to use its expertise and leadership to manage an integrated approach to foreshore planning; a task we are undertaking in locations such as Circular Quay and the Bays Precinct.

Attracting new business and tourism investment to NSW is a key Government objective and the Authority is working closely with Infrastructure NSW on the delivery of the world-class Sydney International Convention, Exhibition and Entertainment Precinct project. This new centre, along with the recently-opened Darling Quarter precinct, will boost the NSW economy and send a clear signal about the competitive status of Sydney.

I am delighted that the Authority's long-standing expertise in foreshore planning and development is being utilised in such significant State projects.

While the Authority continues to forge ahead in coordinating foreshore lands on behalf of the NSW Government, it has also maintained its strong leadership role in conservation, interpretation and activation of its heritage properties and precincts. The final tower development for The Rocks—The Stamford Residence and Reynall Terraces—was completed during the year while at the same time the Baillie Lodges development is underway; reusing some of the precinct's oldest buildings. And of course, the Authority continues to deliver some of Australia's best events, ensuring visitors to Darling Harbour and The Rocks are thoroughly entertained.

The Authority prides itself on sound financial management which has enabled it to continue to operate without reliance on the State budget, demonstrating the organisation's capacity to manage complex precincts, projects and events effectively and efficiently. I am delighted to see the Authority deliver around $25 million to NSW Treasury—a figure which is additional to the non-commercial and social initiatives the Authority funds from existing revenue streams.

I am also pleased to report that the Authority has worked hard to further improve its reputation and relationships with key tenants and stakeholders in the past year.

Of course, these achievements would not have been possible without the commitment of the executive team and employees, and on behalf of the Board I would like to thank them for their dedicated efforts.

Changes to the Authority's structure will be needed during the coming year to achieve public sector cost reduction strategies but with strong support from the Minister, I have no doubt the future for the Authority is looking bright.

I look forward to continuing to work with our executive team and the staff at the Authority in the next 12 months as we move into an exciting new phase of opportunity for the organisation.

Dick Persson AM

Chairman
Sydney Harbour
Foreshore Authority

Director General's message

Sydney Harbour Foreshore Authority is repositioning its charter to lead strategic place management in its areas of activities. The appointment of a new Board represents renewed focus for the Authority in delivering priority outcomes.

Business effectiveness

The Authority watched as the $245 million Stamford Residence development saw its first residents move in, with the public domain and pedestrian thoroughfare opening up a new connection from the CBD to The Rocks. The impressive new addition to the Museum of Contemporary Art opened during the year, creating a world-class art space on the doorstep of The Rocks.

The Authority continued its commitment to sustainability, again reducing emissions in its precincts. The Authority also completed a project to map the carbon footprint of its precincts, became a bronze member of Sustainability Advantage, and implemented a waste and recycling initiative for tenants in The Rocks which increased recycling by 56 per cent.

Conservation and heritage management plays an integral role in the Authority's operations—this year was spent overhauling a number of heritage structures including the old police station at 127 George Street, The Rocks. The Authority had parts of the western side of Sydney Cove listed on the NSW State Heritage Register and completed a project to make all conservation management plans available online to the public.

Stakeholders and customers

The Authority placed emphasis on implementing a number of effective initiatives to improve communication with its tenants and feedback from tenants has been very positive. The Authority also completed a two-year consultation process on the Bays Precinct and has recently submitted the draft report to Government.

Digital initiatives were high on the agenda for the Authority with the implementation of an innovative digital walking tour of The Rocks, which is already award-winning. The Authority improved its online presence this year with updates to social media applications and enhancements to mobile device-specific event content on its websites.

Visitors enjoyed the many events the Authority held in its precincts, with more than 1.53 million* people taking the opportunity to see what was on offer in The Rocks and Darling Harbour. The Authority supported community initiatives with monetary and in-kind support and sponsorship, building and strengthening relationships with community and commercial groups.

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 remained informed.

The Authority continued to offer learning and development opportunities, health and fitness initiatives and encouragement through its monthly employee awards program. It also ensured its Social Club was active in bringing employees together for fundraising and team building activities.

Future directions

The year ahead is looking positive and productive for the Authority with various innovative initiatives taking shape. The Authority will continue the work it has started on a number of heritage and conservation projects throughout The Rocks and at White Bay Power Station, and will watch in anticipation as the Baillie Lodges development on George Street emerges.

The next year will also see the Authority working closely with Infrastructure NSW to ensure a smooth transition into the construction phase of the Sydney International Convention, Exhibition and Entertainment Precinct project at Darling Harbour.

I look forward to continuing to work with the Authority in further aligning it with the Department of Planning and Infrastructure and guiding the organisation through a restructure and change management program.

I would like to thank every Authority employee for their hard work, dedication and support throughout the year. I look forward to working with them all in the year to come to deliver outstanding outcomes in all aspects of the business.

Sam Haddad

Director General
Department of Planning
and Infrastructure

* The number of people movements recorded. See page 35 for details on how figures are calculated

Board

Left to right: Owen Evans, Peter Lowry OAM, Carolyn Fletcher, Giovanni Cirillo and Dick Persson AM in front of the Museum of Contemporary Art.

Dick Persson AM

BA, FAIM

Member of the Order of Australia

Local Government Advisor, Independent Pricing and Regulatory Tribunal

Board member/member

Chair, Sydney Harbour Foreshore Authority

Bridge Housing

Roslyn Lodge Ski Club

Womens College – University of Sydney

Appointed as the Sydney Harbour Foreshore Authority Chairman on 22 August 2011 for a period of two years.

Owen Evans

MSc (Econ), BA (Hon)

Principal, Yaz Investment

Board member/member

Sydney Harbour Foreshore Authority

President, Manly Warringah Basketball Association (non-executive)

Appointed as a Sydney Harbour Foreshore Authority Board member on 22 August 2011 for a period of two years.

Carolyn Fletcher

BA (Hons), Master Town and Country Planning

Institute of Company Directors course

Principal, Black Isle Communications

Director, Opportunity Cambodia

Board member/member

Sydney Harbour Foreshore Authority

Australian Theatre for Young People Foundation

Appointed as a Sydney Harbour Foreshore Authority Board member on 22 August 2011 for a period of two years.

Peter Lowry OAM

LLB

Medal of the Order of Australia

Company Director and Solicitor

Better Cities Pty Ltd

Heritage Conservation Pty Ltd

Arella Group Pty Ltd

Urban Land and Housing Group Pty Ltd

Board member/member

Sydney Harbour Foreshore Authority

Sydney Harbour Federation Trust

Chair, Sydney Harbour Federation Trust Leasing and Tenancy Committee

National Trust of Australia (NSW)

Ensemble Theatre

Planning Research Centre, University of Sydney

Appointed as a Sydney Harbour Foreshore Authority Board member on 22 August 2011 for a period of two years.

Giovanni Cirillo

Master of International Studies

Bachelor of Urban and Regional Planning (Hons)

Graduate Diploma in Economics

Adjunct Senior Lecturer, University of Sydney

Board member/member

Sydney Harbour Foreshore Authority

Giovanni Cirillo, Executive Director Urban Renewal and Major Sites, Department of Planning and Infrastructure attends Board meetings on behalf of the Department's Director General.


18TH
BIENNALE
OF SYDNEY
ntemporary

Structure and executive team

Opposite, left to right: Helen Lochhead, Peter Hazeldine, Catherine Gallagher, James Smart, Ian Kelly, Damian Jeacle, Debra Dawson and Paul Robinson in front of the award-winning Harrington Street mural.

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

The Board oversees the Authority's policies, management and performance, sets strategic direction for the organisation and monitors compliance with statutory requirements (see page 43).

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.

Acting General Manager Catherine Gallagher

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. Catherine Gallagher was appointed acting General Manager of the Authority on 7 December 2011. She joined the Authority in March 2005 as Marketing Manager.

Ms Gallagher was appointed to the position of Director, Precinct Activation and Visitor Services in February 2011.

Egle Garrick holds the role of General Manager and is on leave.

Director, Strategic Developments

Helen Lochhead was appointed Director, Strategic Developments on 6 August 2012.

Responsible for commercial development, master planning, urban renewal and project feasibilities.

Diana Talty held the position of Director, Strategic Developments until her retirement on 10 August 2012.

Acting Director, Precinct Activation and Visitor Services

Damian Jeacle joined the Authority in April 2002 and was seconded to the position of Acting Director Precinct Activation and Visitor Services in December 2011.

Responsible for events, consumer engagement, educational services and tours, Sydney Visitor Centres and Chinese Garden of Friendship.

Director, Business and Financial Services

James Smart commenced at the Authority in January 2001. James 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.

Responsible for finance, human resources, external relations, procurement, information, communications and technology, and property and leasing.

Director, The Rocks and Circular Quay

Ian Kelly commenced at the Authority in October 2001. Ian was appointed to the position of General Manager, Darling Harbour on 28 August 2009 and he moved to the position of Director, The Rocks and Circular Quay in July 2011.

Responsible for precinct place management and The Rocks Markets.

Director, Darling Harbour

Debra Dawson was appointed General Manager, The Rocks and Circular Quay on 5 February 2007. She moved to the position of Director, Darling Harbour in July 2011.

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.

Responsible for project services and capital works, heritage and design, asset planning, sustainability, facilities, and key assets including Sydney Convention and Exhibition Centre, Sydney Entertainment Centre, car parks and Callan Park.

Mr Hazeldine left the Authority on 28 September 2012.

Director, Special Projects

Paul Robinson was appointed to the position of Director, Special Projects on 14 June 2011.

Responsible for property management and development projects.

27 years of outstanding service

Diana Talty retired in August 2012 after more than 27 years of outstanding service to the Authority and its predecessors. Ms Talty was instrumental in the delivery of numerous significant projects over almost three decades, including the transformation of Darling Harbour in the 1980s, the preparation of Darling Harbour in the lead up to the Sydney Olympics and the finalisation of the urban renewal of Pyrmont and Ultimo.

In more recent times, Ms Talty led the initial design competition for Barangaroo and the community consultation for the Bays Precinct and was the driving force behind the award-winning redevelopment of Ballast Point Park and Darling Quarter. She also steered the initial phases of the Sydney International Convention, Exhibition and Entertainment Precinct development prior to its transfer to Infrastructure NSW.

Ms Talty also represented the NSW Government as a member of the Sydney Harbour Federation Trust.

Ms Talty's dedicated contribution to the organisation is greatly appreciated.


MAKING
places for
the future

Business effectiveness

Enhance place management efficiency and integrate sustainability into everything we do

Achievements

+ Achieved a retail vacancy rate of 1.2 per cent and a commercial vacancy rate of 2.8 per cent in The Rocks—a substantial improvement on previous years
+ Awarded Project Managed Organisation accreditation from the Australian Institute of Project Management
+ Officially opened Darling Quarter children's playground to the public
+ Mapped the carbon footprint of The Rocks and Darling Harbour, setting a baseline for the Sustainability 2020 strategy
+ Received numerous prestigious awards for urban renewal, heritage and conservation projects

Strategic actions

+ Demonstrate public sector excellence in the conservation, interpretation and adaptive re-use of heritage properties
+ Implement the 2011–12 Retail Lease Implementation Strategy
+ Progress staged implementation of harbour heat exchange program in The Rocks

Challenges

+ Ensuring that new tenants and current tenants are aligned with the leasing strategy
+ Fulfilling the Authority's role of protecting and enhancing the heritage of The Rocks while generating an economic return

Future directions

+ Advance the NSW Government's vision for Sydney Harbour through custodianship, development and protection of the State-significant foreshore
+ Demonstrate national leadership in conservation, interpretation, adaptation and activation of heritage properties and precincts

Left: Jude Austen Kaupe and Keir Meredith-Miller at Darling Quarter Children's Playground

Managing places efficiently

Low vacancies, high rental return

As at 30 June 2012, the Authority achieved a retail vacancy rate of 1.2 per cent in The Rocks, compared to the average Sydney prime retail strip vacancy rate of 5.5 per cent*.

In The Rocks 19 new retail leases and five new licences were signed during the year, while 23 leases and four licences were renewed. In Darling Harbour five new leases and eight new licences were signed, and eight licences were renewed.

The Authority achieved a commercial vacancy rate of 2.8 per cent in The Rocks, compared to the Sydney CBD total of 9.6 per cent†.

The Authority's Property and Leasing team worked very hard to implement The Rocks Lease Implementation Strategy which helped achieve the impressive results.

Heritage buildings to become luxury hotel

Luxury hoteliers Baillie Lodges signed a 35-year lease in early 2012 and will transform Merchant's House, the Union Bond Store and the adjoining Avery Terraces in The Rocks into a boutique luxury lodge. The project will see some of The Rocks' oldest buildings turned into modern, prestigious accommodation.

Given the State-significance of the heritage properties, sympathetic adaptive reuse will be pivotal to the design and architecture of the development. The hotel is due to open in late 2013.

Authority reaccredited

In 2011, the Authority was awarded Project Managed Organisation (PMO) reaccreditation by the Australian Institute of Project Management. The Authority was recognised for developing a consistent project delivery methodology and is one of only two NSW Government agencies to receive the accreditation.

The voluntary compliance program ensures organisations that implement the appropriate structures, methodologies and training for successful project management are recognised as leading professionals in their sector.

Retail vacancy rate

* CBRE (December 2011)
† CBRE (March 2012)

Managing heritage and public places

The Authority has a strong social and non-commercial role as place manager and custodian of Sydney's significant cultural and heritage precincts.

Darling Quarter and children's playground open

After more than two years of construction, the Darling Quarter precinct and the new children's playground officially opened to the public in September 2011.

The playground is one of the most spectacular in Australia, featuring an array of activities for all ages including water games, climbing ropes, swings and slides. The playground is proving extremely popular with thousands of visitors in the first nine months of operation.

The Authority is looking after the playground and the surrounding public domain for all visitors to the Darling Harbour precinct to enjoy.

New development opens in The Rocks

The Stamford Residences and Reynell Terraces

After more than three years in development The Stamford Residences and Reynell Terraces residential tower complex on Cumberland and Gloucester streets, The Rocks, opened in late 2011. The $245 million 30-level mixed-use residential, commercial and retail building is the final tower development for The Rocks.

As part of the development, an upgrade was undertaken to the public domain at the southern end of Cumberland Street. The works have transformed Cumberland Street into a significant link between The Rocks and the city. The new public domain was jointly funded by the Authority and the developer Stamford Windsor Limited and includes shadestructures, street furniture and landscaping, providing a relaxing outdoor environment for visitors, local residents and workers.

Sydney Cove West on State Heritage Register

The underground remains of parts of the earliest European settlement in Australia and the first Government naval dockyards and associated maritime, commercial and residential buildings at Sydney Cove were listed on the NSW State Heritage Register in August 2011.

The listing covers the below-ground archaeological layer of the western side of Sydney Cove, including the colonial dockyards, and the foundations and quay of the four-storey Commissariat Stores building.

A State heritage listing means that the site is protected under the Heritage Act for future generations, and that any major works on the site would need to be considered by the Heritage Council of NSW.

Pedestrian network to be completed

A concept design for stage two of a pedestrian link between Central Station and Darling Harbour was developed during the year.

The southern section of the link, connecting the Devonshire Tunnel to Ultimo Road was completed in 2002. The northern section—across the Ultimo Road rail underbridge and up to Hay Street—is due to commence construction in 2013. The project will create an integrated linear park that supports the dynamic and innovative character of the Ultimo learning, communications and cultural institutions, and will complement the new UTS Frank Gehry-designed building.

Artist's impression of the pedestrian network, Ultimo

In June 2012, the Authority held two community information days showcasing the proposed design which were well-attended by local residents, businesses and students who were interested to hear what was planned for the area. Feedback has been positive. The Authority will review and assess comments before lodging a development application in late 2012.

Master planning for Callan Park

In November 2011, Leichhardt Council submitted the Callan Park Master Plan Report to the Minister for Planning and Infrastructure for his determination. The draft master plan includes a proposal for further governance of Callan Park by way of a Trust.

Sydney Harbour Foreshore Authority, in consultation with the Department of Planning and Infrastructure, is reviewing the Callan Park Master Plan Report and will report back to the Minister in late 2012.

In carrying out its review the Authority is consulting with Leichhardt Council and all relevant stakeholders including government agencies, such as NSW Health and the Department of Planning and Infrastructure.

Improving pedestrian flow

Works to move a pedestrian crossing, create a drop off zone for people with disabilities and a new loading zone were undertaken during the year to improve access to The Rocks. The changes have relieved some of the traffic congestion into the Overseas Passenger Terminal and provided better pedestrian flow into The Rocks from West Circular Quay.

Greening the precincts

In August, the Authority's horticulturists planted two eight-metre tall palm trees along the Urban Stream in Darling Harbour. The trees complete the row of 24 palms.

During spring, the team planted 888 (a lucky number in Chinese culture) azalea plants at the Chinese Garden of Friendship. The team worked hard preparing the soil with organics, maintaining moisture levels and keeping pests at bay.

Museum reopens

The Museum of Contemporary Art reopened in March 2012 after an 18 month, $53 million redevelopment and expansion. The building, which is owned by the Authority, has been significantly expanded with an entire floor dedicated to the MCA Collection, the National Centre for Creative Learning with state-of-the-art technology, public spaces that embrace one of the world's most famous locations, and a series of site-specific artist commissions.

The NSW Government has been a major partner of the redevelopment, which is supported by the Authority's associated forecourt upgrade works.

Conservation plans online

During the year a project to make Conservation Management Plans (CMPs) for the Authority's heritage-listed assets available online to staff and the general public was completed. A CMP provides a guide to future care and use of heritage-listed items.

Boardwalk reconstructed to reflect its heritage

As part of the redevelopment works undertaken by the Park Hyatt Hotel, the boardwalk in front of the hotel was reconstructed. It was realigned to make visible the heritage stone paved slipway below and to give a greater appreciation of the original harbour foreshore line. The Authority worked closely with the Park Hyatt to ensure the heritage assets were revealed. The boardwalk delivers new seating and refurbished lighting and the potential for future interpretation of the rich history of Campbells Cove.

Conservation works at old police station

In 2011–12 the Authority undertook conservation works to the old police station in The Rocks, built to a design by Colonial Architect James Barnet in 1882. The works included stone conservation, slate roof replacement and seismic remediation. A revised conservation management plan was also completed during the year.

A design for the adaptive re-use of the building as a food and beverage venue is scheduled for 2012–13.

Horticulture maintenance plan for the Chinese Garden

During the year the Authority developed and commenced implementation of a horticulture maintenance plan for the Chinese Garden of Friendship at Darling Harbour.

The garden has been open for 25 years and over this time the growth of shrubs and trees has progressively compromised critical Chinese garden landscape principles of modest scale relative to pavilions, and clear visual connections both within and external to the garden.

The plan calls for selective tree removals and new plantings, and guides the shaping of plants to capture the significant and recognised qualities of the original garden design.

Stonework at 127 George Street, The Rocks

Timber pile and wharf removal Cockle Bay

The Authority undertook a project during the year to remove redundant timber piles and a section of the boardwalk at Cockle Bay.

The Pyrmont Bridge timber piles were installed during the redevelopment of Darling Harbour to act as a barrier to protect the bridge piers. The piles have gradually deteriorated over the years and the remnants were removed. Navigational lights now provide the level of safety required. The remaining piles will be replaced in the next 12 months.

Heritage determinations

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

+ assessed 17 Section 60 applications with an average processing time of four days. This is substantially faster than the statutory assessment period of 40 days
+ processed 43 Section 57(2) exemptions with an average processing time of two days, well below the statutory processing period of 14 days
+ processed five Section 139 exemptions with an average processing time of seven days, well below the statutory processing period of 14 days.

There were no Section 140 applications determined this year.

Delegated determinations are listed in the Appendix on page 121.

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.

Heritage determinations

	2008–09		2009–10		2010–11		2011–12	
	Number	Average processing time	Number	Average processing time	Number	Average processing time	Number	Average processing time
Section 60	27	3 days	19	3 days	15	5 days	17	4 days
Section 57(2)	55	2 days	24	3 days	35	3 days	43	2 days
Section 140	2	n/a	1	n/a	1	2 days	0	n/a
Section 139	6	n/a	6	n/a	5	4 days	5	7 days

Creating sustainable precincts

Carbon footprint mapped

During 2011, a carbon management consultancy was engaged to conduct an emissions analysis of The Rocks and Darling Harbour. The project was completed in August 2011 with the data provided enabling accurate baseline targets to be set within the Authority's Sustainability 2020 strategy.

Waste trial for The Rocks

In July 2011, a sustainable program for managing tenant waste in The Rocks was launched. New coloured bins and a cardboard compactor were installed in the waste rooms to make it easier for tenants to recycle.

The three-month trial period results showed participation by tenants was high, with a 28 per cent decrease in general waste and more than three tonnes of comingled waste (glass, plastic and paper) diverted into recycling streams during this time.

As part of the trial, the Authority also provided some restaurants and cafes with compost and recycling bins to make it easier for tenants to separate waste at the source, reducing contamination when rubbish is taken to the waste rooms.

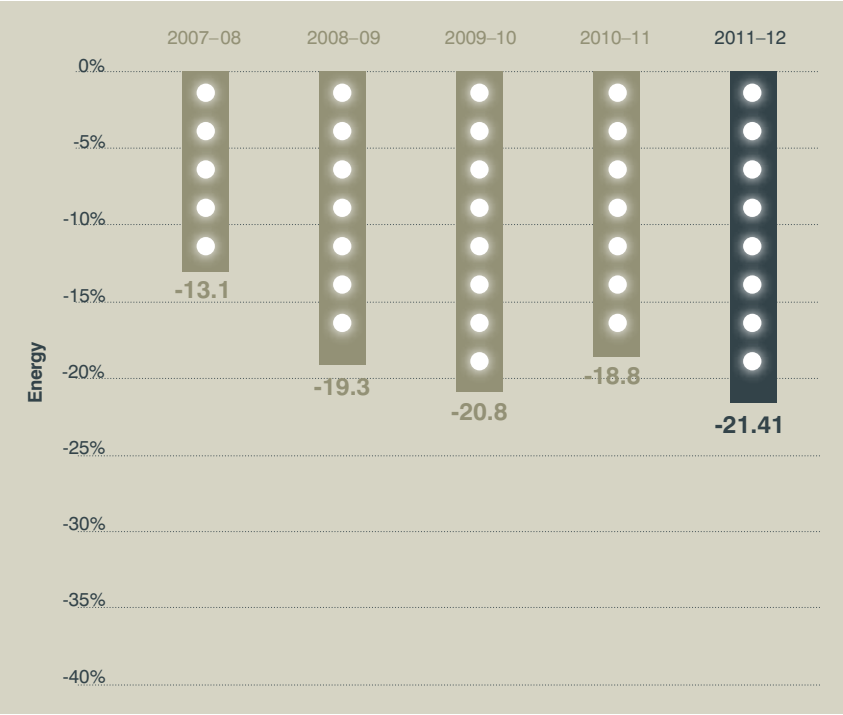
Recycling bins for Circular Quay

New dual waste and recycling bins were installed in Circular Quay during the year as part of a joint initiative between the Authority and the Packaging Stewardship Forum of the Australian Food and Grocery Council to increase recycling in public places.

A key objective for the Authority is to ensure the most effective and sustainable waste management solutions for its precincts.

The new bins will assist the Authority in achieving its goal of recycling or composting 80 per cent of all waste generated in The Rocks and Circular Quay.

Reductions in greenhouse gas emissions



Reductions in water consumption

Water fountains installed

Water fountain, Darling Harbour

Seven water fountains and bottle refill stations were installed in The Rocks and Darling Harbour to provide fresh tap water for visitors to the Authority's precincts.

The fountains and refill stations will help the Authority meet its waste reduction targets by decreasing plastic bottle wastage.

Reducing waste and increasing recycling

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

+ a year-long tenant waste initiative in The Rocks, which saw:
  - overall recycling increase by 39 per cent to 56 per cent
  - comingled recycling (bottles, plastic, cans) increase by 45 per cent (by weight) and 42 per cent (by volume), indicating that more comingled items are currently being recycled than general waste
  - general waste decrease by 39 per cent (by weight) and 35 per cent (by volume)
+ installing recycling bins, including organic, comingled, and paper and cardboard in all Authority office kitchens
+ installing new waste and recycling bins on the East Circular Quay promenade as the first stage in replacing all waste bins in The Rocks and Circular Quay with dual stream bins.

District heat exchange prototype built

During the year the Authority commissioned the design and manufacture of a prototype heat exchange unit for installation and testing on the Overseas Passenger Terminal (OPT) at Circular Quay.

The prototype, which is a one-third scale of the proposed heat exchange module, will be attached to the caisson wall of the OPT and temporarily hooked up to a hot water boiler to test its thermal performance in July 2012. It will be left in the water for up to 12 months so that the effect of marine fouling can be assessed and the structural resilience can be verified.

If testing proves successful the Authority will lodge a development application to install the system.

Leading sustainability

Sustainability Advantage

The Authority became a bronze partner in the NSW Office of Environment and Heritage's Sustainability Advantage Program in 2012.

To achieve a bronze partnership, the Authority had to demonstrate leadership and commitment in sustainability, establish planning and management systems for environmental practice and continuous improvement, and demonstrate achievements over the last 12 months.

Foreshore House 6 Star rating

Following a rigorous audit of its energy performance, the Authority's head office—Foreshore House—had its NABERS rating (National Australian Built Environment Rating System) renewed and is now a 6 Star Green Star Building.

NABERS is an environmental rating system where buildings are rated on their energy efficiency, with the rating for Foreshore House achieved by purchasing green power.

The goal over the next year is to improve the overall energy performance of the building by updating and fine tuning existing systems, and as a result reducing the amount of green power that the Authority has to buy.

Sustainable procurement guidelines

During the year the Authority developed and implemented sustainable procurement guidelines to identify reasonable and appropriate sustainability criteria for inclusion in Authority procurement documentation. The guidelines ensure the Authority has a strategic and inclusive approach to planning and procuring goods and services consistent with its environmental sustainability objectives.

Aroma Festival more sustainable

At The Rocks Aroma Festival in July 2011, the Authority put in place a number of sustainable initiatives to reduce the environmental impact of the event. These included using 100 per cent green mains power across the precinct, reducing the amount of waste sent to landfill, introducing 100 per cent biodegradable coffee cups, using biofuel in on-site mobile generators, and printing event programs on 100 per cent post-consumer recycled paper with vegetable-based inks.

A year of accolades

JULY

Ballast Point Park

Ballast Point Park double

Ballast Point Park won the 2011 Chicago Athenaeum's International Architecture Award for the Best New Global Design. The awards recognise the world's best new architecture, landscape architecture, interiors and urban planning, and honour cutting-edge design.

The park was also named Best Overall Project at the 2011 Public Domain Awards, hosted by industry association Cement Concrete & Aggregates Australia. Designed by landscape architects McGregor Coxall for the Authority, the park was also named Best Project for NSW and winner of the national precincts and national Sustainable Design categories.

SEPTEMBER

Sydney YHA and Big Dig UNESCO Award

Sydney YHA and The Big Dig Archaeological Education Centre won yet another award during the year—UNESCO Asia-Pacific Heritage Awards for Culture Heritage Conservation Jury Commendation for Innovation Award. The award recognises newly-built structures that demonstrate outstanding standards for contemporary architectural design which are well-integrated into historic contexts.

A panel of international conservation experts chose the project from a total of 34 entries from 10 countries in the Asia-Pacific, including museums, religious sites and public institutions.

The award tally for the development now stands at around 26.

Sydney Entertainment Centre wins catering award

Sydney Entertainment Centre won the 2011 Venue Caterer of the Year at the NSW Restaurant and Catering Awards. As owner of the centre the Authority refurbished one of the cafes and bars in the complex during the year.

APRIL

Murals win heritage award

The Authority won the award for Education, Interpretation and Community Engagement for its heritage murals on the Cahill Expressway bridges on Harrington and Gloucester streets, The Rocks at the National Trust of Australia (NSW) 2012 NSW Heritage Awards.

The awards recognise exceptional conservation and heritage projects throughout NSW.

JUNE

Annual reporting gold

After winning gold the past three years at the Australasian Reporting Awards (ARA), the Authority received gold again at the 2012 awards. The award was for the Authority's 2010–11 Annual Report and to win gold the report had to achieve overall excellence in annual reporting. The report was produced in-house with information provided by teams across the Authority.

Darling Quarter wins urban design award

Darling Quarter Children's Playground

Darling Quarter was awarded the 2012 Australia Award for Urban Design by the Planning Institute of Australia. The jury praised the redevelopment for its vibrant and dynamic mix of commercial and public space with grassed community areas and the illuminated water playground.

Metcalfe Bond architecture award

A conservation project at the Metcalfe Bond Stores in The Rocks won an award in the Heritage category of the New South Wales Australian Institute of Architecture Awards. The judges noted it as an exemplar project for adaptive re-use, restoration and preservation.

The project was a collaboration between the Authority and consultants Smart Design Studio.

Metcalfe Bond


47
BUILDING
relationships
with
communities

3

Stakeholders and customers

Deliver outstanding services and events, deliver special State projects effectively and efficiently and reinforce our relevance with stakeholders

Achievements

+ Launched an innovative interactive digital walking tour of The Rocks
+ Welcomed 114,213 visitors to The Rocks Discovery Museum—its largest number of visitors yet
+ Improved communication with tenants in The Rocks through a number of new initiatives
+ Concluded community consultation for the Bays Precinct
+ Produced events in Darling Harbour and The Rocks that were attended by around 1.53 million people
+ Launched an innovative light show at Darling Quarter on the new buildings' facades

Strategic actions

+ 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
+ Improve precinct activation within the southern end of Darling Harbour
+ Actively support NSW Government plans to construct a world-class conference, exhibition and entertainment facility
+ Strengthen the Authority's reputation and relationship with its key stakeholders

Challenges

+ Balancing tenant expectations within a challenging retail environment
+ Working actively with all Darling Harbour tenants to minimise the potential impact of the Sydney International Convention, Exhibition and Entertainment Precinct development on the successful operation of Darling Harbour businesses

Future directions

+ Rebuild the Authority's reputation with key stakeholders through integrity, delivering against its charter and improved business practices
+ Proactively market the Authority to key stakeholders to better communicate the difference it makes and the value it adds
+ Support Infrastructure NSW to deliver a world-class convention, entertainment and exhibition precinct at Darling Harbour

Left: The Rocks Pop-up participants, Leanne and Naomi Shedlezki from Match Box Projects

Community services

The Rocks Pop-up

The Rocks Pop-up is an initiative for activating temporarily vacant buildings by providing creative workers with access to affordable space to make work, showcase original pieces and host events while a long-term tenant is secured. It was established as an ongoing program in December 2011 after initially launching in May 2011.

The project aims to enhance The Rocks' reputation as a creative hub, support innovation and creativity, and attract new audiences into the precinct.

The Rocks Pop-up's diverse participants have hosted more than 200 events this year, from skills development workshops to lively exhibition openings and intimate performances in unconventional spaces. Through these activations, the initiative has assisted in attracting visitors to The Rocks in 2011–12.

Self-guided walking tour goes digital

The Rocks digital walking tour

During the year the Authority implemented sophisticated mobile technology to deliver interactive self-guided walking tours for visitors to The Rocks.

The technology—called near field communication or NFC tags—was integrated into 37 locations around The Rocks, providing visitors access to historical information, images and vision of each location with a tap of a mobile phone or device.

The technology enhances visitors' experiences of the heritage precinct and ensures a rich quality of information supplied to visitors online, in the precinct and via mobile technology.

Primavera 2011

In the second half of 2011 the Authority partnered with the Museum of Contemporary Art in an exhibition of young artists called Primavera. Due to the museum being closed for renovation, the Authority offered its buildings and public spaces as exhibition space for the three month show as part of a drive to encourage visitors to the precinct and to reinforce the creative profile of The Rocks.

This was the first time in its 20 year history that Primavera was shown outside of the MCA walls.

Sydney Visitor Centres

In September 2010, a licence to operate the travel booking and retail services arm of Sydney Visitor Centres (SVCs) was granted to Best of Australia Travel Centres (trading as Best of NSW) following a tender process. From 1 July 2012, the Authority will be handing over the management of visitor information services at both SVCs to Best of NSW as an extension of their licence agreement. This means Best of NSW will deliver all visitor information, travel and retail services on behalf of the Authority. The Authority will retain ownership of the centres.

The Rocks e-book

In November 2011, the Authority launched its first electronic publication to comprehensively cover the depth and breadth of activities and offerings in The Rocks. Called 'What's on this Spring in The Rocks', the e-book featured video links, links to pages such as blogs, facebook pages, menus, special offers and booking pages. It was created to better promote the precinct to an online audience.

Artistic installations encourage visitation

The Authority engaged eight artists to add their creative flair to the northern section of George Street and the Metcalfe Arcade in The Rocks in November. A series of art pieces, including large scale wall murals,

The Rocks Discovery Museum

sculptures and digital displays were installed, enticing visitors to discover tenant offerings in the northern part of The Rocks.

The opportunity to incorporate loaned artworks and site-specific creative work from existing tenants and The Rocks Pop-up participants resulted in a second installation called The Metcalfe Art Path, which took place from March to June 2012. A consumer rewards program was also added to the initiative to profile arcade tenants and the precinct as a home of innovation.

Children's theatre opens at Darling Quarter

During the year, the Authority and Lend Lease worked together to find a suitable tenant for the children's theatre at Darling Quarter, with Monkey Baa Theatre for Young People selected to take up residence.

The children's theatre contributes to the Darling Quarter development by complementing the child-friendly family atmosphere, providing cultural depth to the precinct and engaging young people in the arts through high-quality, accessible theatre programming and experiences.

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 114,213 people in 2011–12, an increase of 3 per cent on 2010–11, with visitors giving an average satisfaction score of 9.1 out of 10. The museum received around $12,800 in donations from visitors.

Talks on The Rocks

The Authority continued its free lunchtime Talks on The Rocks series at The Rocks Discovery Museum throughout the year. The talks featured eminent arts, culture and historical speakers with themes drawn from local, national and international events. The series also included Aboriginal speakers each month.

In 2011–12, 691 people attended 31 talks—an average of 22 people per talk. Of the feedback received, attendees gave the talks an average of 9.14 out of 10. A podcast of each talk is available on The Rocks website.

School holiday programs

Peg-doll making workshop at The Rocks Discovery Museum

During the July school holidays The Rocks Discovery Museum ran a program called *Stories from Tallawolladah*. Eighty-four children made an Aboriginal flag and learnt about The Rocks from an Aboriginal perspective.

During the October school holidays the museum hosted children's workshops giving them the opportunity to make an old-fashioned toy to take home, and to play Victorian-era children's games.

Chinese New Year at the Chinese Garden

Fifty-eight children attended the sessions, with 86 per cent of parents rating the activity as excellent.

In the Christmas school holidays 66 children joined in the traditional peg-doll making workshops where the kids were able to make a Santa or angel peg-doll.

The Easter school holidays saw children making badges, investigating *Under the Floorboards*, creating a willow pattern plate and learning to play marbles. Fifty-four children attended the sessions.

Activities at the Chinese Garden

The Chinese Garden of Friendship at Darling Harbour hosted a number of cultural activities during the year including two weeks of Chinese New Year celebrations. Activities included Chinese acrobats, penjing workshops, tai chi and meditation classes and Shaolin monk martial arts demonstrations. The Authority worked closely with Chinese cultural and community groups in delivering activities which were generally provided for free to visitors of the garden.

The garden also ran school holiday craft programs, participated in Buddha's birthday celebrations and hosted Moonlight Jazz in the Chinese Garden as part of the Jazz and Blues Festival. In January 2012, the Chinese Garden hosted an episode of television cooking show *Masterchef*, which provided good exposure for the garden when it aired in May.

Digital training for The Rocks tenants

In a joint initiative with The Rocks Chamber of Commerce and Sydney Institute of TAFE NSW, the Authority offered its tenants in The Rocks the opportunity to develop their online marketing skills through a Certificate IV in Marketing. The course was tailored to The Rocks businesses and subsidised by the Authority. Around 25 tenants took part in the course.

New guide for The Rocks

The Rocks Urban Walkabout guide was released during the year to promote the precinct as a tourist and leisure destination for visitors and Sydneysiders.

A partnership between the Authority and The Rocks Chamber of Commerce, it featured a map of the precinct as well as information on more than 40 local businesses and attractions.

Around 50,000 copies of the free guide were distributed at more than 200 hotels, tourist information centres and the airport.

Safety message for Pyrmont Bridge

The Authority is trialling a new way of reminding cyclists and pedestrians that Pyrmont Bridge is a shared zone by playing a message over the sound system at regular intervals reinforcing that the bridge is to share.

Building stakeholder relationships

The message is played Monday to Friday, during the morning and evening peaks. The Authority will monitor its effectiveness.

Continuous improvement for people with disabilities

The Authority's 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:

+ a fully accessible children's playground and water play at Darling Quarter
+ a new pedestrian entry and fully accessible thoroughfare on Cumberland Street, The Rocks which links the city to the western and upper parts of the precinct
+ sponsoring The Big Issue Street Football Festival in Darling Harbour and the Oz Day 10k wheelchair race, demonstrating the Authority's engagement with activities that improve and promote the health and welfare of disability groups
+ actively improving operational matters at major events such as providing toilets and car parking spaces for those with a disability and maintaining accessible pathways
+ engaging House with No Steps for the grounds maintenance contract for Callan Park, all Pyrmont parks, White Bay Power Station, Rozelle rail yards and Ballast Point Park.

Communicating with The Rocks tenants

The Authority has also worked hard to ensure property management and leasing outcomes, particularly with tenant relationships, maintenance, heritage preservation, tenant dispute resolution and leasing properties, are delivered effectively in The Rocks.

During the year the Authority implemented and continued a number of initiatives for better communicating with The Rocks tenants, including:

+ routine property management discussions between Authority staff and individual tenants
+ The Rocks News—a monthly tenant newsletter emailed to all tenants and published on the Authority's website
+ monthly meetings with The Rocks Chamber of Commerce to discuss important issues and track outcomes which are included on the Authority's website for all to access
+ bi-annual group meetings to brief all tenants on any significant strategic matters and invite feedback in a communal setting.

The monthly discussions with The Rocks Chamber—who represent around 40 per cent of retail and food and beverage tenants—include heritage activities and promotion, outdoor seating, public domain appearance and activation, transport, marketing (both tenant and Authority), events and leasing updates.

Engaging with market stallholders

The Authority implemented an improved engagement strategy with The Rocks Markets stallholders in late 2011 which includes:

+ bi-monthly meetings between The Rocks Markets Small Business Association and Authority senior management
+ bi-annual public meetings open to all The Rocks Markets stallholders
+ Authority Executive staff scheduled to regularly visit The Rocks Markets.

Reviewing our events

During the year, the Authority conducted a review of its calendar of public events to ensure benefits are maximised for tenants and visitors. The Authority looked at new ways to:

+ integrate permanent tenant offerings into events
+ creatively tell stories about the history of the Authority's precincts through events and activities
+ attract sponsors for niche events that target specific stakeholder groups
+ maximise publicity through innovative event programming.

The Authority sought feedback from tenants to integrate into the review. The review found that most events received a positive assessment and that opportunities for improvement were identified in some events and changes to formats will be undertaken.

Visitors to Authority-owned attractions

Attraction	2007–08	2008–09	2009–10	2010–11	2011–12
Sydney Visitor Centres	367,273	332,610	316,883	285,804	264,077
The Rocks Markets	1,405,802	1,535,911	1,584,607	1,602,597	1,510,199
Chinese Garden of Friendship	185,662	176,499	201,452	192,354	203,307

Bays Precinct

Bays Precinct consultation

In 2011–12, the Bays Precinct Taskforce built on the important work undertaken with the community. Together the taskforce and community have developed a strategic land use framework for the Bays Precinct for the next 25 years and beyond.

The taskforce reconvened in December 2011 and was chaired by Department of Premier and Cabinet, with representatives from the Authority, NSW Treasury, Department of Planning and Infrastructure, Transport for NSW, Sydney Ports Corporation, Roads and Maritime Services, City of Sydney, Leichhardt Council and a community representative. Sydney Harbour Foreshore Authority acts as secretariat to the taskforce.

Community, industry and stakeholder consultation was carried out through nine community meetings and one industry forum in May and June 2012. The taskforce reported to the Minister for Planning and Infrastructure in August 2012 with recommendations for future land use options for the Bays Precinct.

Partnering with the arts

As part of Art Month Sydney in March 2012, the Authority and Ambush Gallery co-presented the award-winning arts initiative, Project 5, in The Rocks. The event celebrated Australia's most recognisable and contemporary street artists, and included artist talks, live art events and charity auctions.

Mobile device technology

During the year the Authority focused on developing mobile device-specific websites for all its events. These websites provide visitors to events with concise event information including up-to-date event programs, maps and performer bios. Precinct campaigns for activations such as Mother's Day, The Rocks Fashion Showcase and The Rocks Markets Gift Guide also had mobile-specific content created.

The Authority implemented QR (quick response) codes for various marketing initiatives and event information. QR codes provide mobile users with quick and direct access to mobile-specific content. The QR codes were also integrated into Google Analytics for tracking, providing the Authority with statistics on the use of marketing collateral, including public domain posters and postcard advertising.

Social media developments

During the year the Authority worked towards developing improved branding presence on its precinct facebook pages, including adding video and audio content. By tailoring the pages the Authority increased its new customer acquisition by 54 per cent for the Darling Harbour page and 31 per cent for The Rocks page.

New technology was also developed in-house to allow users to upload a video and photos via facebook, tag it, and let users interact with specific content, including a Fiesta

'dance-off' competition and a Santa Fest colouring competition.
The Authority's Twitter and YouTube pages were also integrated with facebook, reducing the need to post duplicate information across the different social media sites.

Darling Quarter facades light up

An interactive light display—Luminous at Darling Quarter—was switched on during the year. The project took 12 months to complete and spreads across four storeys of the two Darling Quarter buildings. It is a joint initiative of the Authority, Lend Lease, Darling Quarter and Commonwealth Bank and was designed by lighting expert Bruce Ramus.

The light show runs Tuesday to Sunday evenings from the Community Green adjacent to Darling Quarter's dining and bar offerings. As the years go by Luminous will increasingly feature content created by community groups, local and international artists, and from public interaction and games.

Excellence in customer service

The Authority responds efficiently and effectively to feedback from tenants and visitors. During the year a total of 8,519 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 97 per cent of maintenance requests on time.

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

New facilities for Darling Harbour

In April 2012, the NSW Government announced that the $1 billion project to create Australia's first fully integrated convention, exhibition and entertainment precinct at Darling Harbour would be delivered by Infrastructure NSW in a Public Private Partnership.

The works will take three years to complete, commencing at the end of 2013. The Authority will work closely with Darling Harbour tenants and Infrastructure NSW to ensure the precinct remains activated as much as possible during the development.

Darling Quarter

Education

In 2011–12, the Authority spent $857,000 on educational programs and services.

Sydney Learning Adventures

Around 21,500 students participated in Sydney Learning Adventures programs this year. Teachers rated all programs highly with an average 80 per cent good/excellent rating across all programs.

New school programs launched

In term three 2011, a program for primary school children called *Upstairs Downstairs at Merchant's House* was launched. Students learnt about life both in the upper class (upstairs) and as a servant (downstairs) in 19th century Sydney. There were 157 participants during the year with teachers commenting that the program was engaging and delivered very well.

Launched in term four 2011, *Time Travellers in The Rocks* is a new program for years 9 and 10 history students. The program divides class groups into time travel teams to gather evidence in The Rocks and continue through class sessions. The program proved popular with 330 students taking part.

Education network open day

In February 2012, the Authority's education team hosted an open day for teachers to inform them of the range of educational resources

Indigenous initiatives

available for school excursions in The Rocks and East Circular Quay. Forty teachers attended the day which included tours of The Rocks Discovery Museum and the Big Dig Archaeology Education Centre.

Blog launched to share advice

Sydney Learning Adventures launched a blog for teachers to share opinions and advice from historical experts and educational leaders during the year. Posts included why history matters and the significance of The Rocks in Australia's national history.

Sharing our expertise

The Authority presented papers and keynote speeches on interpretation, place management and sustainability at a number of industry conferences during the year.

These included:

+ delivering a presentation on activating waterfront precincts with events at the Tourism and Events Excellence Conference in Melbourne in September 2011
+ presenting on interpretation at The Rocks Discovery Museum at the Museums Australia – Interpretation Australia conference in Perth in November 2011
+ hosting and presenting to overseas delegates on place management, planning and development of harbour precincts in January and February 2012
+ presenting on The Rocks Heat Exchange project at the Green Cities Conference in Sydney in March 2012.

Aboriginal employment and training

During the year the Authority partnered with a number of other agencies, including Destination NSW, NSW TAFE and Sydney Opera House, to form the Sydney Metropolitan Aboriginal Tourism Cluster to increase the profile of Aboriginal tourism in Sydney.

The group is committed to providing a framework for employment for Aboriginal people within the tourism sector. The Authority has employed five Indigenous tour guides who graduated from the Aboriginal Tour Guide Training program run by the cluster.

Overall 29 per cent of the Authority's tour guide team identify as Aboriginal.

Reflections of Indigenous culture

Discovering Country photographic exhibition

The Rocks Discovery Museum hosted a photographic exhibition for the second year as part of the Head On Photo Festival. *Discovering Country – A Sense of Place* explored a sense of place from two directions—the unique relationship between Aboriginal identity and landscape, and the traditional stories that are associated with a specific place. Images by top photographers, who worked closely with Aboriginal communities to learn about their culture, were on display for the six week exhibition.

Aboriginal tour guides

Aboriginal voices

The Rocks Discovery Museum's Talks on The Rocks series featured a number of Indigenous speakers, with one Friday each month set aside for Indigenous guests. Speakers included the owner of Kool Purple Kookas which empowers Aboriginal children to take charge of their eating habits and the head of theatre and screen studies at The Eora College of Aboriginal Studies Centre for Visual and Performing Arts.

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 during July 2011. Sydney Learning Adventures also offered discounts on The Rocks Dreaming Tour as part of NAIDOC celebrations.

Participants in Authority educational programs

Program	2007–08	2008–09	2009–10	2010–11	2011–12
The Rocks Discovery Museum	98,615	90,495	106,397	110,771	114,213
Sydney Learning Adventures	19,500	19,047	21,185	21,641	21,547
The Big Dig Archaeological Centre	n/a	n/a	[1]2,859	3,826	5,389

1 Opened February 2010

Outstanding events

JULY

Aroma

The Rocks Aroma Festival in 2011 saw 121,000* people attending the free event. It featured Australia's leading coffee roasters, plus suppliers of chocolate, tea and spice. In 2011 there were more than 85 stalls and four stages of entertainment featuring belly dancers, whirling dervishes, can-can and tango dancers. Around 8,000 litres of milk and 70,000 cups of coffee were consumed on the day.

OCTOBER

Fiesta

Australia's biggest Latin-American music and dance festival returned to Darling Harbour on the October long weekend with around 251,000* people attending. The event featured 70 live performances of the best Latin bands and dance groups, a Carnivale Street Parade of giant puppets, samba dancers and capoeira performers. The inaugural Fiesta Dance-Off was also held with prizes awarded to individuals, couples and groups.

The Rocks Markets Summer Fashion Showcase

More than 50 designers from The Rocks Markets showcased their wares on a catwalk in The Rocks Square for one of the Authority's popular fashion showcase weekends. The event gave visitors a chance to view the designs on the catwalk and then purchase items from The Rocks Markets stallholders.

NOVEMBER

The Rocks Village Bizarre

This year, the Authority's moonlight market event was expanded to become an urban adventure into the weird and wonderful. Visitors were guided on a journey through The Rocks' secret alleys and hidden rooms where they saw intimate performances, played ping-pong, took dance classes and participated in a silent disco. The event ran every Friday night in November and December with around 114,000* visitors.

Santa Fest

The Christmas festivities kicked off with the second annual Santa Fest in Darling Harbour. Santas took over the waters, skies and surrounds of Darling Harbour with Santas on stilts, Santas on jet skis, Santas on buildings, a Santa parade and roving street performers. The night was topped off with the lighting of the Christmas tree and a fireworks display. Around 26,000 people attended the festivities.

DECEMBER

The Rocks Christmas tree

In keeping with tradition, The Rocks Christmas Tree was once again built from sustainable roots—it was made from recycled coreflute. Coreflute often ends up in landfill, making the seven metre tall Christmas tree a unique and creative way of reusing this common signage material. The coreflute was stencilled, cut and shaped to represent a stunning contemporary version of a traditional Christmas tree.

Carols by the tree

Carols by the Tree returned to Darling Harbour at the Convention Centre Forecourt every Thursday to Sunday night in December with some of Sydney's best a cappella groups performing over the 15 nights of celebrations.

NYE 2011

Darling Harbour is well-known for putting on a spectacular New Year's Eve celebration and in 2011 around 194,000* visitors watched the skies above the precinct light up with two fireworks displays. In between the fireworks, revellers enjoyed performances on barges in Cockle Bay including fire shows and Chinese lion dancing. 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

In 2012, 160,000* people chose Darling Harbour as the venue to celebrate our national day with various performances for the whole family, and the official Australia Day Spectacular capping off the day.

In The Rocks around 103,000* joined the festivities with more than 50 singers and songwriters from around the country performing in *The Festival of the Voice*.

FEBRUARY

Chinese New Year in the garden

Chinese New Year was celebrated in the Chinese Garden of Friendship this year with a number of activities such as calligraphy and kung-fu workshops, and Chinese opera performances.

APRIL

Hoopla

The Authority's annual circus, sideshow and street theatre festival —Hoopla—took over Darling Harbour again on the Easter long weekend. The world's best acrobats, stunt daredevils, sideshow superstars, trapeze masters, jugglers, clowns, fire eaters and street theatre performers entertained a crowd of around 245,000* over the four-day weekend.

The Rocks Twenty12 Fashion Weekend

This year's winter fashion showcase was renamed The Rocks Twenty12 Fashion Weekend and highlighted fashion and jewellery available from around 50 market stallholders and retail tenants in The Rocks. Fashion parades were held in The Rocks Square with DJs giving the precinct a buzzing atmosphere.

MAY

Vivid Sydney Festival

As part of the Destination NSW-led Vivid Sydney Festival, the Authority once again held the Vivid Night Markets throughout The Rocks on Friday and Saturday nights during the festival.

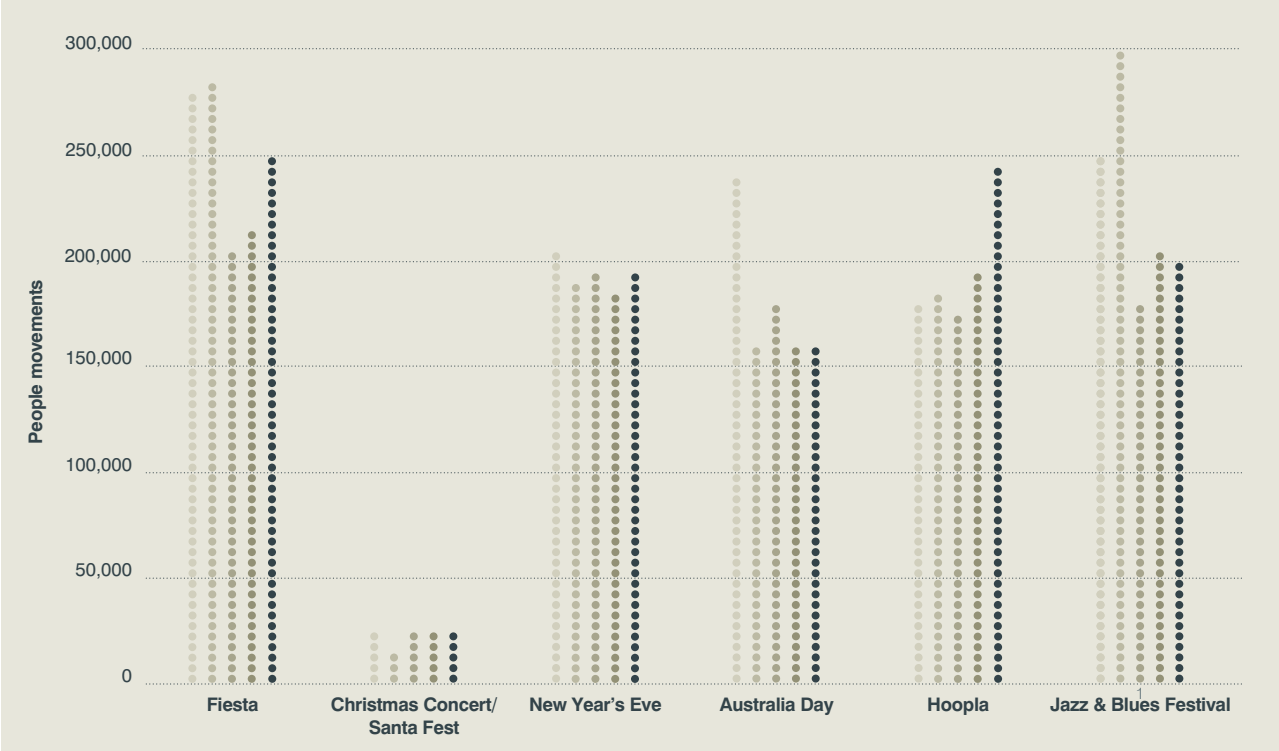
JUNE

Jazz and Blues Festival

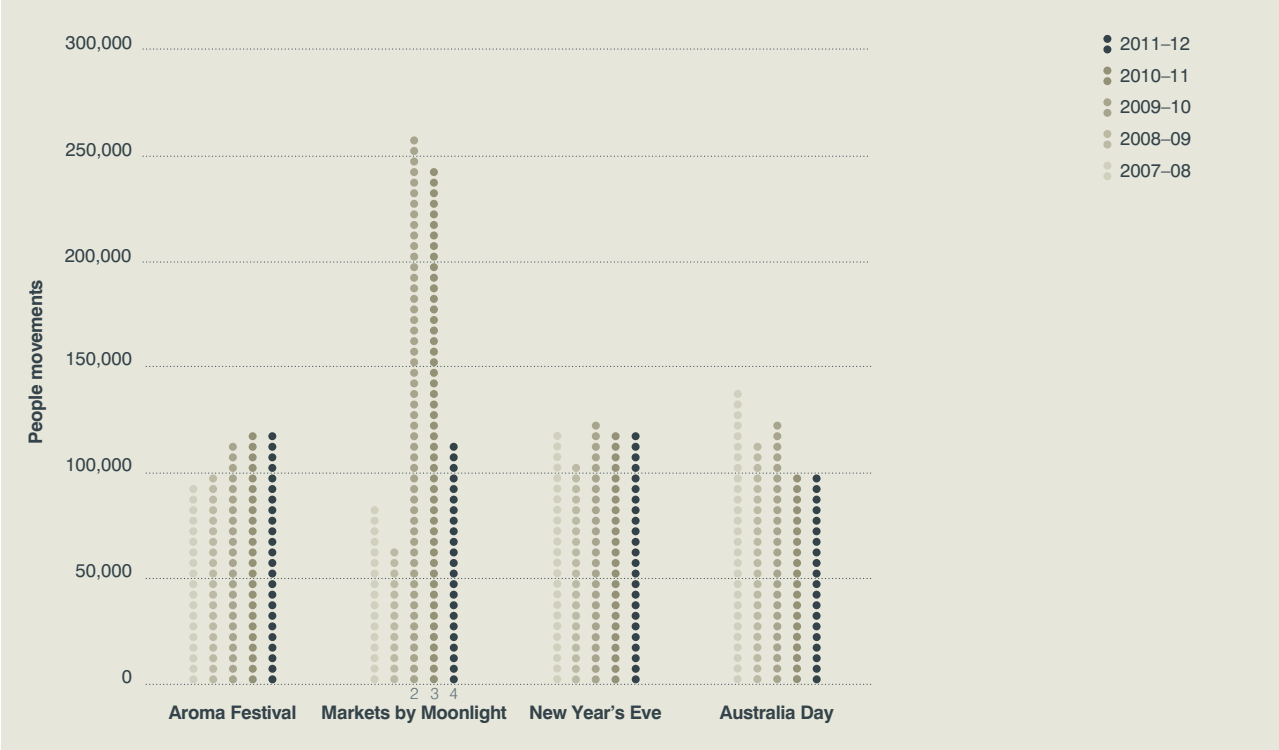
The Darling Harbour Jazz and Blues Festival was back in the precinct on the June long weekend with more than 40 home-grown and international acts performing jazz, blues, roots, funk and soul. A traditional New Orleans-style jazz parade was introduced for the first time with visitors invited to learn the music and join in. A special event—Moonlight Jazz in the Garden—was also introduced in 2012. Around 198,000* people experienced the festival over the weekend.

*The number of people movements recorded. See page 35 for details on how figures are calculated.

Attendance at Darling Harbour events



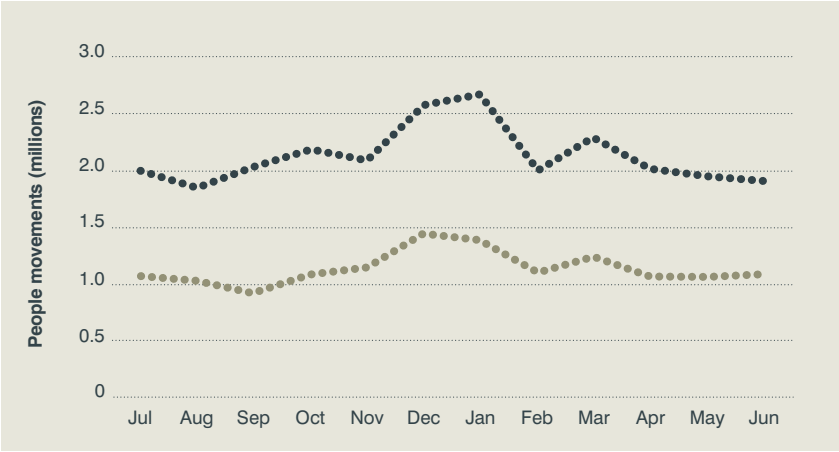
Attendance at The Rocks events



1 Moved to May for FIFA Fan Fest. 2 Markets by Moonlight were held from November to March over 19 weeks. 3 Markets by Moonlight were held from November to February over 14 weeks. 4 Markets by Moonlight were held from November to December over 8 weeks.

Supporting the community

Monthly people movements in The Rocks and Darling Harbour



●●● Darling Harbour
●●● The Rocks

People movements

The Rocks

In The Rocks, approximately 13.83 million people movements were recorded in 2011–12, with people enjoying the entertainment, shopping and dining experiences on offer. This was an increase in people movements of 0.3 per cent on the previous year.

Darling Harbour

In Darling Harbour, approximately 25.92 million people movements were recorded in 2011–12, with people enjoying international conventions, attractions and events in the precinct. This was a increase in people movements of 2.8 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.

Each year the Authority supports a diverse number of events which provide cultural experiences, and community-based activities that enrich the lives of visitors to the precincts. These events help create the unique character of Darling Harbour and The Rocks.

The Authority continued its commitment to cultural organisations, community groups, and commercial enterprises, coordinating numerous events in The Rocks and Darling Harbour during the year, including:

+ NSW Seniors Week
+ Chinese New Year celebrations
+ Sydney International Boat Show
+ Dragon Boat Spectacular
+ A substantial cultural program of 25 festivals from around the globe including India, Thailand, Greece and Indonesia. Three new events were also added to the calendar this year—Turkish, Armenian and Serbian festivals
+ 43 school and community public performances.

The Authority provides more than $250,000 of value-in-kind support to these festivals. The Authority also contributed $197,500 in cash sponsorship to:

+ City of Sydney New Year's Eve ($100,000)
+ The Big Issue Street Soccer Festival ($90,000)
+ NSW Wheelchair Sports ($7,500).

Value-in-kind support was also provided to the following organisations and events in 2011–12:

+ Sydney Festival
+ Biennale of Sydney
+ Vivid – Destination NSW.


PREPARING
the organisation
to meet new
challenges

Organisational health

Engage employees in the future of the organisation and deliver organisation reforms

Achievements

+ Implemented a number of work health and safety improvements in line with new legislation
+ Continued a lunch and learn initiative to bring together teams within the Authority to improve decision-making
+ Conducted staff tours to show employees different areas of the business
+ Donated around $4,000 to charity through employee fundraising initiatives

Strategic actions

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

Challenges

+ Ensuring staff are adequately prepared for cultural change as the Authority continues to align itself to the Department of Planning and Infrastructure

Future directions

+ Engage employees in the process of restructuring the organisation through an effective change management and communication program

Left: Authority employees Luisa Raiti and Katrina Smith

Workplace initiatives

Staff tours get everyone involved

Throughout the year the Authority ran a number of tours to show employees the different areas of work the Authority undertakes and to give them a better understanding of what their workmates have been involved in. These included a tour of the 188 Cumberland Street dig site hosted by the Authority's archaeologists, a tour of Merchant's House hosted by the education team and The Rocks Dreaming Tour hosted by Aboriginal guides.

Blood donations

The Authority assisted the Red Cross Blood Service by organising blood donations on a number of occasions during the year, giving staff the opportunity to donate as a group.

Charity efforts

During the year the Authority ran a number of fundraising drives for charity, including a Footy Colours Day barbecue to raise money for the Fight Cancer Foundation and Movember activities to raise money for men's health initiatives. In total employees raised around $4,000 for charity.

The Authority also participated in the Department of Premier and Cabinet's Christmas food drive for the homeless which collected items for St Vincent de Paul.

Awarding employees

The monthly Guiding Principles Awards continued this year, promoting a culture of leadership, excellence, teamwork, delivering on promises and customer service.

Three Authority employees also received awards for performance excellence at the Department of Planning and Infrastructure's staff awards in December.

Social Club Movember fundraiser

Lunch and learn

The lunch and learn initiative brings together a cross-divisional group of employees with a view to enhancing group decision-making and problem-solving capabilities across the Authority. The topics discussed by the group included dilemmas faced by organisation leaders with solutions from experts.

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, fitness classes, lunchtime competitive sport, yoga and flu vaccinations.

Healthy Lifestyle Program lunchtime sport

Active Social Club

The Authority has an active social club which staff are encouraged to join for a small fortnightly fee. It gives employees the opportunity to get to know their workmates outside of the office. The Social Club regularly arranged activities during the year including trivia nights, charity fundraisers and raffles. There are currently 111 members.

Staff photography competition

Authority employees were encouraged to enter the Department of Planning and Infrastructure's 2012 Staff Photography Competition. Employees were invited to enter under the 12 categories which included environment, heritage, culture, parks, public places and people, and global cities. Winners will be announced in late 2012.

Employee development and engagement

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. This year the Authority joined the Department of Planning and Infrastructure's mentoring program, giving employees the opportunity to further broaden professional expertise and career opportunities.

Ongoing communications

The Authority has a number of internal communications tools to keep staff informed. These include a weekly email newsletter called New Horizons, a bulletin for urgent or important information called Broadcast Alert and an all-staff monthly meeting where employees can find out important information about the organisation.

Workplace safety

The Authority has taken a proactive approach to implementing the new *Work Health and Safety Act 2011* (WHS) which commenced in January 2012. The Authority's WHS committee was instrumental in encouraging WHS awareness by all Authority employees. The committee has continued to undertake regular workplace inspections across all Authority-managed properties and has actively worked with staff to identify WHS risks. The committee also referred WHS issues to the Executive team for resolution when required.

The Authority's WHS manager has also provided expert advice to staff and management on health and safety matters, and conducted a self-audit of the Authority's safety management system in line with Australian standards. Key achievements include:

+ conducting Authority-wide WHS training in both legislation and risk management
+ working closely with managers of high risk activities to develop a practical risk management approach

Design student mentoring

+ developing a corporate level contractor management and controller of premises system
+ developing a new WHS intranet page and updated risk register to meet due diligence requirements
+ reviewing and developing corporate level WHS policies and procedures.

Internships and mentoring

The Authority hosted 19 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, including Sustainability, Consumer Engagement, Digital Marketing and Publicity.

The Authority also provided mentoring to design school students during the year, offering them the opportunity to gain hands-on experience in the Design Studio.

Human resources

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 and 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 2011–12 with all employees completing a fraud health check survey. Results delivered no areas of concern for the organisation.

Equal opportunity

In 2011–12 the Authority continued to promote equal employment opportunity (EEO) through a range of initiatives including:

+ continuing to incorporate cultural awareness into all positions descriptions
+ continuing to review policies to ensure that equity issues are included
+ reviewing all recruitment and selection actions to ensure that EEO principles were adhered too.

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 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 41.

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

+ reviewing the EEO Management Plan 2008–12 to ensure objectives were met
+ maintaining minority group representation in the workforce across all areas.

In 2012–13 the Authority will continue promoting equity through a structured recruitment process to ensure EEO principles are adhered to and maintain levels of representations of minority groups across all divisions. A five year EEO management plan will be developed for 2013–18.

Employee numbers

As at 30 June 2012, the Authority had a total of 176 permanent and 34 temporary employees.

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 2011–12 included:

+ maintaining the female ratio on the executive and senior management team
+ updating the Working from Home Policy to allow flexibility around family arrangements
+ broadening the Healthy Lifestyle Program of subsidised gym membership to allow for women's only gyms.

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's websites promoting The Rocks and Darling Harbour can be viewed in six other languages to ensure that information can be accessed around the world.

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.

Industrial relations

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.

Restructure announced

On 15 August 2012, the Acting General Manager announced the Authority will undergo a restructure to create a more focused organisation and deliver a clear future for Sydney's foreshore. The restructure will also include a program of voluntary redundancies for up to 40 employees. The restructure is expected to be completed in early 2013.

Employee numbers by category

Salary scale	30 Jun 2009		
	Total number of employees	Women	Non English speaking background
Salaries below clerical officer grade 1; 21 year old or equivalent	0	0	0
Salaries from clerical officer grade 1; 21 year old rate to below minimum clerk grade 1 rate or equivalent	0	0	0
Grade 1–2 or equivalent	35	12	5
Grade 3–5 or equivalent	28	20	7
Grade 6–9 or equivalent	69	44	5
Grade 10–12 or equivalent	50	17	5
Above grade 12 or equivalent	45	12	3
Total number of employees in established positions[1]	**227**	**105**	**25**

1 Figures do not include casual employees. Part-time employees are counted as one.

Trends in representation of EEO groups

EEO group	% of total staff (excluding casual staff)			
	Benchmark	2009–10	2010–11	2011–12
Women	50.0	45.5	43.2	45.7
Aboriginal people and Torres Strait Islanders	2.6	1.0	0.9	1.4
People whose first language spoken as a child was not English	19.0	10.0	8.5	9.0
People with a disability	n/a	0.5	0.5	0.5
People with a disability requiring work-related adjustment	1.5	0.0	0.0	0.0

Trends in the distribution of EEO groups

EEO group	Benchmark	2009–10	2010–11	2011–12
Women	100	91	91	94
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a
People whose first language spoken as a child was not English	100	88	n/a	n/a

Number of Senior Executive Service (SES) positions

	2008–09	2009–10	2010–11	2011–12
Number of SES positions	4	3	3	4
Number filled by females	3	3	3	3
Positions at SES Level 7	1	0	0	0
Positions at SES Level 5	0	1	1	[1]1
Positions at SES Level 4	3	1	1	[2]2
Positions at SES Level 3	0	1	1	1

1 This position is held by Egle Garrick, General Manager of Sydney Harbour Foreshore Authority, on a total remuneration package of $285,300 per annum. A performance bonus was not paid and Ms Garrick met the performance criteria outlined in her performance agreement.
2 One of the SES 4 positions is a temporary position.

	30 June 2010			30 June 2011			30 June 2012		
	Total number of employees	Women	Non English speaking background	Total number of employees	Women	Non English speaking background	Total number of employees	Women	Non English speaking background
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	1	0	0	4	2	1	33	12	6
	39	15	12	34	12	10	22	15	3
	81	53	27	78	51	22	67	40	3
	47	16	10	47	14	10	48	16	4
	58	19	11	54	16	11	40	13	3
	226	103	60	217	95	54	210	96	19

Corporate governance

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

New Board appointed

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

Role of the Board

Sydney Harbour Foreshore Authority's Board is appointed in accordance with the *Sydney Harbour Foreshore Authority Act 1998*. The Board oversees the Authority's policies, management and performance, sets strategic direction for the organisation and monitors compliance with statutory requirements. The Board monitors organisational performance against strategic objectives. This is achieved both through written reports from management and direct interaction with senior management at Board meetings.

The Board's role in managing risk is critical to the success of the organisation. The Board approves all major decisions, with detailed financial feasibility studies required for every major project proposal.

The Code of Conduct for Board Members prescribes procedures for disclosing and dealing with conflicts of interest. Each Board member is kept up-to-date with organisational developments, structure and the Authority's policies.

The General Manager is responsible for the management of the Authority in accordance with specific policies and general direction of the Board.

Board members' details are shown on page 12.

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

There were no overseas trips undertaken by Authority staff in 2011–12.

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. Results delivered no areas of concern for the organisation.

The Authority also has a Fraud Control Group made up of a range of employees from across the organisation. It aims to identify potential fraud risks, mitigate and manage these risks to assist staff in undertaking their day-to-day work, and swap ideas on how issues are being handled in different teams and divisions. During the year the group had input into changes to financial procedures, the Code of Conduct, ethics scenario training and motor vehicle management.

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, stakeholders and customers, 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 reports to the Department of Planning and Infrastructure's Audit and Risk Management Committee. 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 3.67 out of 5 for its internal audits, which were conducted by the Internal Audit Bureau.

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 decrease in property claims in the previous periods and a continuing trend in reducing the projected number of small public liability 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 Authority's program for the proactive release of information involves ensuring compliance with the objectives of the *Government Information (Public Access) Act 2009* and assessing disclosure of information against the requirements of the Act.

During the year, the Authority reviewed this program by revising its publication register, reviewing data in relation to decisions to assess whether information was being proactively and informally disclosed, and regularly reviewing the publications and resource centre on its corporate website.

As a result of this review, the Authority released the following information proactively:

+ updated policy documents
+ organisational information
+ Authority-produced publications.

The Authority received a total of 11 formal access applications (including withdrawn applications but not invalid applications). The Authority did not refuse any formal access applications.

Details of these requests are shown in the Appendix on page 121.

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 2011–12.

Public interest disclosures

The Authority had one public official make a public interest disclosure in 2011–12. It was unclassified and was finalised during the year.

The Authority has a Public Interest Disclosure Policy which is available on the intranet and was communicated to staff through internal communications channels.

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 five credit cards on issue with a combined limit of $25,000.

Legislative changes and departures

There were no changes to Sydney Harbour Foreshore Authority's legislation during 2011–12.

Progress in procurement

During 2011–12, the procurement team continued to deliver tender and quotation processes on behalf of internal clients within the Authority. The team also managed the delivery of three open tender processes on behalf of Department of Planning and Infrastructure, utilising the Authority's accreditation for construction procurement.

The Procurement team continued to monitor the updated procurement policy, processes and procedures to ensure their efficiency and effectiveness in achieving value for money outcomes for the Authority. The Authority held procurement workshops for employees which covered legislation, probity, processes and systems.

Fourteen significant tender processes were undertaken in 2011–12, resulting in successful contracts, including one-off contracts for refurbishment works on Unwin's Stores and 103 George Street, provision of a hazmat and confined spaces survey, and the design of stage 2 of the Ultimo Pedestrian Network. The Authority also re-tendered a number of period contracts for works such as cleaning services for Darling Harbour, electrical services, graffiti removal, pyrotechnic displays at Darling Harbour, and ranger and security services.

The Authority continued to use its established contractor panels to assist with projects across varied disciplines including legal, property valuation and plumbing 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 on an as needed basis. The Authority has used consultants in specialist areas such as planning, property, design, quantity surveying and environment.

The Authority engaged three consultants whose fees were more than $50,000 during the year, as shown in the table below. These fees totalled $227,940. Thirty-eight consultants whose fees were up to $50,000 were also engaged, with fees totalling $455,565.

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 98.

Consultants engaged during 2011–12 with fees over $50,000

Consultant	Description	Amount $
Conybeare Morrison Int Pty Ltd	Provision of urban design advice for the SICEEP project	102,677
The Trustee for Verve	Public relations consulting for The Rocks and Darling Harbour precincts	70,400
Interbrand Australia Pty Ltd	Brand positioning review for Sydney Harbour Foreshore Authority	54,863

Financial performance

Optimise return from assets and operations

Achievements

+ Exceeded the Government's labour cost wages target of 2.5 per cent growth by keeping wages growth to 2%
+ Received record revenue levels at Sydney Convention and Exhibition Centre
+ Provided more than $23 million to NSW Treasury—this is in addition to non-commercial and social activities the Authority funds out of existing revenue streams

Strategic actions

+ Optimise revenue growth and productivity increases

Challenges

+ Balancing heritage and cultural priorities in a commercial environment
+ Meeting the Government's labour-cost savings while continuing to efficiently and effectively deliver services to the public

Future directions

+ Reduce the Authority's cost base and increasing private sector involvement
+ Support the delivery of the new, world-class convention, exhibition and entertainment precinct at Darling Harbour, while ensuring a continuous flow of activation throughout the precinct in the planning and implementation phase

Internal Audit and Risk Management Attestation for the 2011–12 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*.

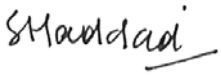
The governing board is of the opinion that the Audit and Risk Management Committee for Sydney Harbour Foreshore Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Management 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
- independent Member – Alan Zammit, term of appointment: three years starting 27 February 2012
- non-independent staff member – Brett Whitworth, staff member Department of Planning and Infrastructure, term of appointment: two years starting 27 January 2012.
- non-independent staff member – Michael Leavey, staff member Department of Planning and Infrastructure, two year term of appointment expired on 15 January 2012.

The governing board declare that this Internal Audit and Risk Management Attestation 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

20 August 2012
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 2012

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 2012; 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.

Sam Haddad
Acting Chief Executive Officer
Sydney Harbour Foreshore Authority

Carolyn Fletcher
Board Member
Sydney Harbour Foreshore Authority

26 September 2012
Sydney

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 comprise the statements of financial position as at 30 June 2012, the statements of comprehensive income, statements of changes in equity and the statements 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 2012, and of their financial performance and their cash flows 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 of the financial statements that give a true and fair view 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 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 Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of 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.

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 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 roles by the possibility of losing clients or income.

James Sugumar

James Sugumar
Director, Financial Audit Services

28 September 2012
SYDNEY

SYDNEY HARBOUR FORESHORE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Consolidated 2012 $'000	Consolidated 2011 $'000	Authority 2012 $'000	Authority 2011 $'000
Income					
Revenue from continuing operations	3	150,339	142,721	150,339	142,721
Other income	4	69,364	56,651	69,364	56,651
Total income		**219,703**	**199,372**	**219,703**	**199,372**
Expenses					
Property related expenses	5	(103,538)	(85,371)	(103,538)	(85,371)
Employee related expenses	5	(2,519)	(2,291)	–	–
Personnel services expenses	5	(29,501)	(23,367)	(32,020)	(25,658)
Depreciation and amortisation expense	5	(30,685)	(17,075)	(30,685)	(17,075)
Finance costs	5	(773)	(815)	(773)	(815)
Loss on revaluation of property, plant and equipment	5	(88,907)	–	(88,907)	–
Other expenses	5	(34,448)	(36,220)	(34,448)	(36,220)
Total expenses		**(290,371)**	**(165,139)**	**(290,371)**	**(165,139)**
Surplus/(deficit) before income tax equivalent		**(70,668)**	**34,233**	**(70,668)**	**34,233**
Income tax equivalent	6	–	(532)	–	(532)
Surplus/(deficit) for the year after income tax equivalent		**(70,668)**	**33,701**	**(70,668)**	**33,701**
Other comprehensive income/(expense)					
Gain/(loss) on revaluation of property, plant and equipment		(64,591)	39,708	(64,591)	39,708
Other comprehensive income/(expense) for the year		**(64,591)**	**39,708**	**(64,591)**	**39,708**
Total comprehensive income/(expense) for the year		**(135,259)**	**73,409**	**(135,259)**	**73,409**

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 2012

	Notes	Consolidated 2012 $'000	Consolidated 2011 $'000	Authority 2012 $'000	Authority 2011 $'000
Assets					
Current assets					
Cash and cash equivalents	7	70,181	89,860	70,181	89,860
Trade and other receivables	8	16,835	24,103	16,835	24,103
Inventories	9	739	680	739	680
Total current assets		**87,755**	**114,643**	**87,755**	**114,643**
Non–current assets					
Trade and other receivables	8	151,473	139,251	151,473	139,251
Investment property	10	423,029	394,795	423,029	394,795
Property, plant and equipment	11	491,653	659,802	491,653	659,802
Intangible assets	12	1,035	762	1,035	762
Total non–current assets		**1,067,190**	**1,194,610**	**1,067,190**	**1,194,610**
Total assets		**1,154,945**	**1,309,253**	**1,154,945**	**1,309,253**
Liabilities					
Current liabilities					
Trade and other payables	13	37,244	44,774	37,244	44,774
Lease receipts in advance	14	68	18	68	18
Borrowings	15	–	5,000	–	5,000
Provisions	16	18,096	11,842	18,096	11,842
Other liabilities	17	2,634	2,268	2,634	2,268
Total current liabilities		**58,042**	**63,902**	**58,042**	**63,902**
Non–current liabilities					
Lease receipts in advance	14	3,524	1,655	3,524	1,655
Borrowings	15	5,000	5,000	5,000	5,000
Provisions	16	15,549	5,920	15,549	5,920
Total non–current liabilities		**24,073**	**12,575**	**24,073**	**12,575**
Total liabilities		**82,115**	**76,477**	**82,115**	**76,477**
Net assets		**1,072,830**	**1,232,776**	**1,072,830**	**1,232,776**
Equity					
Accumulated funds		1,065,032	1,151,504	1,065,032	1,151,504
Asset revaluation reserve		7,798	81,272	7,798	81,272
Total equity		**1,072,830**	**1,232,776**	**1,072,830**	**1,232,776**

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 2012

		Consolidated			Authority		
	Notes	Accumul–ated funds $'000	Asset revaluation reserve $'000	Total $'000	Accumul–ated funds $'000	Asset revaluation reserve $'000	Total $'000
Balance as at 1 July 2011		1,151,504	81,272	1,232,776	1,151,504	81,272	1,232,776
Surplus for the year		**(70,668)**	**–**	**(70,668)**	**(70,668)**	**–**	**(70,668)**
Transfer of asset revaluation reserve on disposal		8,882	(8,882)	–	8,882	(8,882)	–
Other comprehensive income							
Gain/(loss) on revaluation of land and buildings		–	(64,591)	(64,591)	–	(64,591)	(64,591)
Other comprehensive income for the year		**–**	**(64,591)**	**(64,591)**	**–**	**(64,591)**	**(64,591)**
Total comprehensive income for the year		**(61,786)**	**(73,473)**	**(135,259)**	**(61,786)**	**(73,473)**	**(135,259)**
Transaction with owners in their capacity as owners							
Contributions to New South Wales Government		(23,148)	–	(23,148)	(23,148)	–	(23,148)
Transfer assets to other NSW government agency		(1,539)	–	(1,539)	(1,539)	–	(1,539)
		(24,687)	**–**	**(24,687)**	**(24,687)**	**–**	**(24,687)**
Balance as at 30 June 2012		**1,065,030**	**7,799**	**1,072,830**	**1,065,031**	**7,799**	**1,072,830**
Balance as at 1 July 2010		760,317	42,114	802,431	760,317	42,114	802,431
Change in accounting policy	23	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							
Contributions 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**

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 2012

		Consolidated		Authority	
	Notes	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		191,030	167,381	191,030	167,381
Payments to suppliers and employees (inclusive of GST)		(167,094)	(149,361)	(167,094)	(149,361)
Grants paid		(100)	(1,625)	(100)	(1,625)
Interest received		4,533	4,724	4,533	4,724
Finance costs		(781)	(816)	(781)	(816)
Income tax equivalent paid		(532)	–	(532)	–
Security deposits and bonds		(1,541)	1,167	(1,541)	1,167
Forward deposits and retentions		3,442	(2,782)	3,442	(2,782)
Net cash inflows/(outflows) from operating activities	21(b)	**28,957**	**18,688**	**28,957**	**18,688**
Cash flows from investing activities					
Payments for property, plant and equipment		(17,777)	(15,136)	(17,777)	(15,136)
Proceeds from sales of property, plant and equipment		26	10,880	26	10,880
Payments for intangible assets		(310)	(500)	(310)	(500)
Net cash inflows/(outflows) from investing activities		**(18,061)**	**(4,756)**	**(18,061)**	**(4,756)**
Cash flows from financing activities					
Repayment of borrowings		(5,000)	–	(5,000)	–
Payment of finance lease liabilities		(196)	(711)	(196)	(711)
Contributions to New South Wales Government paid		(25,379)	(25,659)	(25,379)	(25,659)
Finance lease receipts		–	5,983	–	5,983
Net cash inflows/(outflows) from financing activities		**(30,575)**	**(20,387)**	**(30,575)**	**(20,387)**
Net increase/(decrease) in cash		(19,679)	(6,455)	(19,679)	(6,455)
Opening cash and cash equivalents		89,860	96,315	89,860	96,315
Closing cash and cash equivalents	21(a)	**70,181**	**89,860**	**70,181**	**89,860**

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

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 2012 were authorised for issue by the Authority's Board on 26 September 2012.

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* and Regulation.

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. Judgements, key assumption and estimations are disclosed in the relevant notes to the financial statements.

The Authority has assessed its profit status for the financial year ended 30 June 2012 and determined its status as not-for-profit for financial reporting purposes.

The financial statements and notes are presented in Australian Dollars rounded to the nearest thousand.

During the year the Authority engaged Land and Property Information to revalue all land and buildings at 30 June 2012. Included in this revaluation were the following major land and building assets:

- Sydney Convention and Exhibition Centre
- Sydney Entertainment Centre
- Entertainment Centre Car Park.

As announced by the NSW Government on 17 April 2012, these major assets are subject to a proposed redevelopment, to be managed by Infrastructure NSW through the Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) project.

The valuation was based on relevant information available to management at the time, and includes significant assumptions and judgements relating to the date of demolition, size and nature of the redevelopment and period of development.

The assumptions and judgements used in the estimation model may change due to new information from the redevelopment plans by the proponents and/or the planning approval.

Changes to the assumptions and judgements may impact the value of these assets reported in the financial statements.

(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.

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 it is probable that the economic benefits associated with the transaction will flow to the entity.

(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. Contingent rental income is recognised as income in the periods in which it is earned.

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 unguaranteed 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 twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period 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 3% 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.

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 April 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.

(k) Capitalisation thresholds

Property development that gives rise to an effective and material increase in the future economic benefit of the property to the Authority is capitalised.

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*.

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 revaluation is 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) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 Impairment of Assets effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the entity are regarded as immaterial.

(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. All material separately identifiable components of assets are depreciated over their shorter useful lives.

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.

The following depreciation rates were applied in 2011–12 and 2010–11:

	2011–12	2010–11
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%	8.5–20%
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. 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 statement of comprehensive income 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 unguaranteed 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.

(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, fit-out 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.

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

(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 a period of 3 years.

The useful lives of intangible assets are assessed to be finite. 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.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

(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.

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) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(z) 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.

(aa) 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.

(bb) Contributions to New South Wales Government and income tax equivalent

(i) 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.

(ii) 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.

(cc) 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.

(dd) 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 Authority 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.

(ee) New Australian Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period. The Authority did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 9 *Financial Instruments* (1 January 2013)
- AASB 10 *Consolidated Financial Statements* (1 January 2013)
- AASB 11 *Joint Arrangements* (1 January 2013)
- AASB 12 *Disclosure of Interests in Other Entities* (1 January 2013)
- AASB 13 *Fair Value Measurement* (1 January 2013)
- AASB 119 *Employee Benefits* (1 January 2013)
- AASB 127 *Separate Financial Statements* (1 January 2013)
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2013)
- AASB 2011-3 *Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments* (1 July 2012)
- AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (1 July 2013)
- AASB 2011-8 *Amendments to Australian Accounting Standards Arising from AASB 13* (1 January 2013)
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* (1 July 2012)
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (1 January 2013)
- AASB 2011-11 *Amendments to AASB 119 arising from Reduced Disclosure Requirements* (1 July 2013)
- AASB 2011-13 *Amendments to Australian Accounting Standard – Improvements to AASB 1049*. (1 July 2012)
- AASB 2012-1 *Amendments to Australian Accounting Standards – Fair Measurement- Reduced Disclosure Requirements* (1 July 2013).

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.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 3 – Revenue from continuing operations				
Sydney Convention and Exhibition Centre revenue	68,186	64,541	68,186	64,541
Car Parks revenue	15,792	15,928	15,792	15,928
Other major assets revenue	12,248	10,002	12,248	10,002
Operating lease revenue	46,484	46,418	46,484	46,418
Long term lease revenue	81	18	81	18
Development contributions	44	220	44	220
Visitor Centre sales	68	410	68	410
Marketing revenue	3,074	3,274	3,074	3,274
Other	4,362	1,910	4,362	1,910
	150,339	**142,721**	**150,339**	**142,721**

Sydney Convention and Exhibition Centre revenue increased in 2012 due to improved car park patronage, exhibition, and food/beverage sales.

Other major assets revenue increased in 2012 due to additional events held at the Sydney Entertainment Centre.

Other revenue in 2012 includes recovery of salary costs for staff seconded to other NSW government agencies.

Note 4 – Other revenue				
Fair value increment on investment properties (refer note 2(s))	27,238	18,800	27,238	18,800
Gain on disposal of property, plant and equipment	–	1,460	–	1,460
Recognition of property, plant and equipment	1,164	2,425	1,164	2,425
Grant revenue	21,907	–	21,907	–
Long term lease divestment proceeds	–	15,600	–	15,600
Finance revenue – long term leases	14,522	13,642	14,522	13,642
Interest revenue (refer note 4(a))	4,533	4,724	4,533	4,724
	69,364	**56,651**	**69,364**	**56,651**
(a) Interest revenue is made up as below:				
Cash at bank	71	80	71	80
NSW Treasury Corporation Hour-Glass Cash Facility	3,494	1,584	3,494	1,584
NSW Treasury Corporation short-term deposits	968	3,060	968	3,060
	4,533	**4,724**	**4,533**	**4,724**

Grant revenue received in 2012 represents recovery of Barangaroo project costs from Department of Planning and Infrastructure.

Long term lease divestment proceeds in 2011 related to the divestment of a commercial lease to the private sector. This was in response to the New South Wales Government 2008 Mini-Budget.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 5 – Expenses				
Property related expenses:				
Sydney Convention and Exhibition Centre expenses	58,116	50,303	58,116	50,303
Car Parks expenses	5,260	5,358	5,260	5,358
Other major assets expenses	8,935	6,788	8,935	6,788
Place management expenses	18,635	11,892	18,635	11,892
Project development expenses	11,070	7,325	11,070	7,325
Other expenses	1,522	3,705	1,522	3,705
	103,538	**85,371**	**103,538**	**85,371**

Sydney Convention and Exhibition Centre expenses increased in 2012 as a result of the increased activities at the Centre and the sales mix of events with lower yields.

Other major assets expenses reflect the additional events held at the Sydney Entertainment Centre.

Place management expenses include security, cleaning, waste management, utilities, taxes, and horticultural services.

Project development expenses include Sydney International Convention, Exhibition and Entertainment Precinct costs of $10.656 million in 2012.

Employee related expenses:				
Salaries and wages	2,188	1,989	–	–
Defined contribution superannuation expense	197	179	–	–
Other employee related expenses	134	123	–	–
	2,519	**2,291**	**–**	**–**
Personnel services expenses:				
Personnel services expenses SHFA Casual Staff Division				
Salaries and wages	–	–	2,188	1,989
Defined contribution superannuation expense	–	–	197	179
Other employee related expenses	–	–	134	123
	–	**–**	**2,519**	**2,291**
Personnel services expenses Former Land and Property Management Authority				
Salaries and wages	–	14,573	–	14,573
Defined contribution superannuation expense	–	1,334	–	1,334
Defined benefit superannuation expense	–	–	–	–
Other employee related expenses	–	2,847	–	2,847
Superannuation actuarial losses	–	–	–	–
	–	**18,754**	**–**	**18,754**

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Personnel services expenses				
Department of Planning and Infrastructure				
Salaries and wages	20,849	4,476	20,849	4,476
Defined contribution superannuation expense	1,695	264	1,695	264
Defined benefit superannuation expense	28	102	28	102
Other employee related expenses	2,465	948	2,465	948
Superannuation actuarial (gains)/losses	4,464	(1,177)	4,464	(1,177)
	29,501	**4,613**	**29,501**	**4,613**
	29,501	**23,367**	**32,020**	**25,658**

Following the release of the Public Sector Employment and Management (Departments) Order 2011, all permanent staff and related obligations were transferred from Land and Property Management Authority to Department of Planning and Infrastructure from April 2011. Refer to note 2 (e).

Total personnel services expenses increased in 2012 due an actuarial loss of $4.464m on the defined benefit superannuation scheme. Excluding this loss the Authority's salaries and wages increased by 2% in 2012, which was below the NSW Treasury target of 2.5%.

Depreciation and amortisation expense:				
Depreciation of property, plant and equipment	30,514	16,481	30,514	16,481
Amortisation of leasehold assets	135	536	135	536
Amortisation of intangible assets	36	58	36	58
	30,685	**17,075**	**30,685**	**17,075**

Based on the proposed development of the Sydney International Convention Exhibition and Entertainment Precinct an assessment was performed of the disposal values of plant and equipment at the Sydney Convention and Exhibition Centre and the Sydney Entertainment Centre at 30 November 2013. This assessment was performed by RHAS, an independent valuation firm. In addition, an assessment of the remaining economic lives of these assets was performed and as a result accelerated depreciation was applied. The additional depreciation charged in 2011/12 was $11.379 million.

Finance costs:				
Interest on borrowing not at fair value through profit or loss	650	658	650	658
Government guarantee levy	115	120	115	120
Interest expense on leased assets	8	37	8	37
	773	815	773	815
Amount capitalised	–	–	–	–
Finance costs expensed	**773**	**815**	**773**	**815**
Loss on revaluation of property, plant and equipment:				
Loss on revaluation of property, plant and equipment	88,907	–	88,907	–
	88,907	**–**	**88,907**	**–**

The loss on revaluation of property, plant and equipment is a result of the revaluation of land and buildings at 30 June 2012. Refer to note 11(a) for details.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Other expenses:				
Administration	7,965	5,870	7,965	5,870
Directors Fees	146	52	146	52
Fair value decrement on investment properties (refer note 2(s))	–	–	–	–
Loss on disposal of property, plant and equipment	475	163	475	163
Loss on asset written off	–	–	–	–
Visitor Centre sales – cost of goods sold	–	186	–	186
Insurance	533	560	533	560
Consultants	614	1,109	614	1,109
Auditor's remuneration – audit of financial statements	202	197	202	197
Allowance for impairment of receivables, net of recovery	(2)	81	(2)	81
Marketing and advertising	6,834	7,172	6,834	7,172
Repairs and maintenance	17,581	19,205	17,581	19,205
Grants expenses	100	1,625	100	1,625
	34,448	**36,220**	**34,448**	**36,220**
Reconciliation of total maintenance expense:				
Maintenance expense – contracted labour and other (refer note 5)	17,581	19,205	17,581	19,205
Personnel Services relating to maintenance	2,256	2,008	2,256	2,008
Total maintenance expense	**19,836**	**21,213**	**19,836**	**21,213**

Note 6 – Income tax equivalent				
Surplus/(loss) before income tax equivalent:	**(70,668)**	**34,233**	**(70,668)**	**34,233**
Prepaid revenue	(81)	(18)	(81)	(18)
Fair value increment on investment property	(27,238)	(18,800)	(27,238)	(18,800)
Grant revenue	(21,907)	–	(21,907)	–
Finance revenue – long term leases	(14,522)	(13,642)	(14,522)	(13,642)
Loss on revaluation of property, plant and equipment	88,907	–	88,907	–
Notional taxable surplus/(deficit)	**(45,508)**	**1,773**	**(45,508)**	**1,773**
Income tax equivalent calculated at 30% of notional taxable surplus/(deficit)	–	532	–	532
	–	**532**	**–**	**532**

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 7 – Cash and cash equivalents				
Cash at bank and in hand	14,255	16,127	14,255	16,127
NSW Treasury Corporation Hour-Glass Cash Facility	55,926	43,733	55,926	43,733
NSW Treasury Corporation- Short term deposits	–	30,000	–	30,000
	70,181	**89,860**	**70,181**	**89,860**

Cash and cash equivalents include cash at bank and in hand, funds on deposit in the NSW Treasury Corporation Hour-Glass Cash Facility, and short-term deposits.

The Authority holds money in a sinking fund which is to be used for Monorail infrastructure costs. These monies are excluded from the financial statements as the Authority cannot use them for the achievement of its objectives. The balance of the sinking fund is $0.256 million.

Refer to note 22 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Note 8 – Trade and other receivables				
Current				
Rental debtors	1,798	1,035	1,798	1,035
Sundry debtors	1,860	3,214	1,860	3,214
Finance lease receivable	9,531	16,728	9,531	16,728
Lease incentives	831	403	831	403
Goods and services tax recoverable	1,174	989	1,174	989
Prepayments and accrued revenue	1,705	1,945	1,705	1,945
	16,899	24,314	16,899	24,314
Less: Allowance for impairment of receivables	(64)	(211)	(64)	(211)
	16,835	**24,103**	**16,835**	**24,103**
Non-current				
Security bond	38	38	38	38
Finance lease receivable	151,435	139,213	151,435	139,213
	151,473	**139,251**	**151,473**	**139,251**
Movement in the allowance for impairment of receivables				
Balance at 1 July	(211)	(291)	(211)	(291)
Amounts written off during the year	143	154	143	154
Amounts recovered during the year	77	48	77	48
(Increase)/decrease in allowance recognised in profit or loss	(73)	(122)	(73)	(122)
Balance at 30 June	**(64)**	**(211)**	**(64)**	**(211)**

Trade receivables are on 30 day terms and collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance for impairment is recognised when there is objective evidence that an individual receivable will not be collected.

Refer to note 22 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 9 – Inventories				
Current				
Trading stock	739	680	739	680
	739	**680**	**739**	**680**

Note 10 – Investment property				
Balance at 1 July at fair value	394,795	399,995	394,795	399,995
Additions	996	–	996	–
Transfer from/(to) property, plant and equipment	–	(24,000)	–	(24,000)
Net gain/(loss) from fair value adjustments	27,238	18,800	27,238	18,800
Balance at 30 June at fair value	**423,029**	**394,795**	**423,029**	**394,795**

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	40,229	39,546	40,229	39,546
Direct operating expenses arising from investment properties that generate rental revenue	(6,582)	(5,947)	(6,582)	(5,947)
Direct operating expenses arising from investment properties that did not generate rental revenue	(862)	(1,000)	(862)	(1,000)
Total	**32,785**	**32,599**	**32,785**	**32,599**

(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 Information, 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.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 11 – Property, plant and equipment				
Land and buildings				
At gross value	925,336	696,945	925,336	696,945
Accumulated depreciation	(481,814)	(106,798)	(481,814)	(106,798)
Carrying amount at fair value	**443,522**	**590,147**	**443,522**	**590,147**
Plant and equipment				
At gross value	102,105	99,463	102,105	99,463
Accumulated depreciation	(71,100)	(55,332)	(71,100)	(55,332)
Carrying amount at fair value	**31,005**	**44,131**	**31,005**	**44,131**
Leasehold improvements				
At gross value	399	399	399	399
Accumulated depreciation	(341)	(254)	(341)	(254)
Carrying amount at fair value	**58**	**145**	**58**	**145**
Leased assets				
At gross value	–	517	–	517
Accumulated amortisation	–	(382)	–	(382)
Carrying amount at fair value	**–**	**135**	**–**	**135**
Art and artefacts				
At gross value	10,683	10,727	10,683	10,727
Accumulated depreciation	–	–	–	–
Carrying amount at fair value	**10,683**	**10,727**	**10,683**	**10,727**
Work in progress	**6,385**	**14,517**	**6,385**	**14,517**
Total property, plant and equipment	**491,653**	**659,802**	**491,653**	**659,802**
At gross value	1,044,908	822,568	1,044,908	822,568
Accumulated depreciation and amortisation	(553,255)	(162,766)	(553,255)	(162,766)
Total property, plant and equipment	**491,653**	**659,802**	**491,653**	**659,802**

(a) Revaluation of property, plant and equipment

Land and buildings were valued by Land and Property Information to determine fair value at 30 June 2012.

Art and artefacts were last valued by Rodney Hyman Asset Services Pty Ltd at 30 June 2011.

The assets that were not revalued are also shown at fair value as the written down value approximates fair value. At reporting date there was no indication of impairment.

(b) Impact of the revaluation of land and buildings at 30 June 2012

The decrease in the fair value of land and buildings due to the revaluation is $155.021 million per below:

	$'000
Carrying amount pre-revaluation at 30 June	598,543
Carrying amount post-revaluation at 30 June	443,522
Revaluation decrease	**155,021**

The net revaluation decrease is a result of the proposed development of the Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP). The construction period for this project will commence in late 2013 and conclude in late 2016.

This proposed development will have a significant impact on the value of these major assets and in particular the impact for the 2011–12 financial year is per below. Notwithstanding these assets, the balance of the Authority's land and buildings increased in value by $76.286 million:

Sydney Convention and Exhibition Centre	179,790
Sydney Entertainment Centre	23,743
Entertainment Centre car park	27,773
Land and buildings – all other	(76,286)
	155,021

In accordance with AASB 116 this decrease is recognised in the financial statements as follows:

Statement of financial position	
Assets	
Property, plant and equipment – decrease	155,021
Equity	
Asset revaluation reserve – decrease	64,575
Statement of comprehensive income	
Expense	
Loss on revaluation of property, plant and equipment	88,907

	Consolidated 2012 $'000	Authority 2012 $'000
(c) 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	590,147	590,147
Additions	18,988	18,988
Net transfer from plant and equipment	688	688
Transfer from investment properties	–	–
Disposals	(2)	(2)
Net revaluation decrement	(155,021)	(155,021)
Depreciation expense	(11,278)	(11,278)
Carrying amount at 30 June	**443,522**	**443,522**
Plant and equipment		
Carrying amount at 1 July	44,131	44,131
Additions	7,210	7,210
Disposals	(499)	(499)
Transfer to intangibles	–	–
Transfer to land and buildings	(688)	(688)
Depreciation expense	(19,150)	(19,150)
Carrying amount at 30 June	**31,004**	**31,004**
Leasehold improvements		
Carrying amount at 1 July	145	145
Depreciation expense	(87)	(87)
Carrying amount at 30 June	**58**	**58**
Leased assets		
Carrying amount at 1 July	135	135
Disposals	–	–
Adjustments	–	–
Amortisation expense	(135)	(135)
Carrying amount at 30 June	**–**	**–**
Art and artefacts		
Carrying amount at 1 July	10,727	10,727
Additions	–	–
Disposals	–	–
Net revaluation decrement	(44)	(44)
Carrying amount at 30 June	**10,683**	**10,683**

	Consolidated 2012 $'000	Authority 2012 $'000
Work in progress		
Opening balance	14,517	14,517
Additions	9,415	9,415
Transfer to fixed assets	(17,546)	(17,546)
	6,385	**6,385**
Property, plant and equipment	**491,653**	**491,653**

(d) 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.

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**

	Consolidated 2012 $'000	Authority 2012 $'000
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**
Work in progress		
Opening balance	8,379	8,379
Additions	15,606	15,606
Transfer to fixed assets	(9,468)	(9,468)
	14,517	**14,517**
Property, plant and equipment	**659,802**	**659,802**

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 12 – Intangible assets				
Cost (gross carrying amount)	2,019	1,709	2,019	1,709
Less accumulated amortisation	(984)	(947)	(984)	(947)
Carrying amount	**1,035**	**762**	**1,035**	**762**
Net carrying amount at the beginning of the financial year	762	320	762	320
Additions	310	500	310	500
Amortisation expense	(37)	(58)	(37)	(58)
Net carrying amount at the end of the financial year	**1,035**	**762**	**1,035**	**762**

Intangible assets include software and licenses and are amortised on a straight-line basis over a period of three years.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 13 – Trade and other payables				
Current				
Trade creditors	3,318	6,385	3,318	6,385
Sundry creditors and accruals	14,505	20,993	14,505	20,993
Refundable security deposits and bonds	606	2,147	606	2,147
Forward deposits	18,052	14,610	18,052	14,610
Accrued interest	97	105	97	105
Payable – accrued salaries, wages and on-costs	74	53	74	53
Payable to other NSW agency	592	481	592	481
	37,244	**44,774**	**37,244**	**44,774**

Refer to Note 22 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Note 14 – Lease receipts in advance				
Current				
Lease receipts in advance (refer note 2(c))	68	18	68	18
	68	**18**	**68**	**18**
Non-current				
Lease receipts in advance (refer note 2(c))	3,524	1,655	3,524	1,655
	3,524	**1,655**	**3,524**	**1,655**

Note 15 – 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	5,000	5,000	5,000
	5,000	**5,000**	**5,000**	**5,000**
As at 30 June the maturity profile of borrowings was:				
Not later than one year (current liabilities)	–	5,000	–	5,000
Later than 1 year but not later than 5 years	5,000	5,000	5,000	5,000
Later than 5 years	–	–	–	–
	5,000	**10,000**	**5,000**	**10,000**

Refer to Note 22 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 16 – Provisions				
Current				
Payable to other NSW agency	7,017	5,852	7,017	5,852
	7,017	5,852	7,017	5,852
Contributions to NSW Government	–	2,231	–	2,231
Provision for NSW Government Sharing Sydney Harbour Access Program	592	1,456	592	1,456
Provision for property remediation	4,750	–	4,750	–
Other	5,737	2,303	5,737	2,303
	11,079	5,990	11,079	5,990
	18,096	**11,842**	**18,096**	**11,842**
Non-current				
Payable to other NSW agency	10,330	5,920	10,330	5,920
Provision for personnel contractual obligations	4,601	–	4,601	–
Other	618	–	618	–
	15,549	**5,920**	**15,549**	**5,920**

Other provisions include an amount of $1.25m for Court of Appeal judgement. Refer to note 24.

Non-current payable to other NSW agency includes an increase in the defined benefits superannuation liability of $4.396 million. This significant increase is due to a decrease in the discount rate of 5.28% to 3.06%.

Movements in provisions

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

2012	Contributions to NSW Government $'000	Sharing Sydney Harbour Access Program $'000	Property remediation $'000	Personnel contractual obligations $'000	Other $'000	Total $'000
Carrying amount at the beginning of financial year	2,231	1,456	–	–	2,303	5,990
Provisions recognised during the year	23,148	500	4,750	4,601	4,584	37,583
Amount paid during the year	(25,379)	–	–	–	(532)	(25,911)
Amount reversed during the year	–	(1,364)	–	–	–	(1,364)
Carrying amount at the end of financial year	**–**	**592**	**4,750**	**4,601**	**6,355**	**16,298**

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Note 17 – Other liabilities				
Current				
Finance lease liability	–	196	–	196
Revenue in advance	2,634	2,072	2,634	2,072
	2,634	**2,268**	**2,634**	**2,268**

Note 18 – 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	1,518	2,506	1,518	2,506
Later than one year and not later than five years	791	1,831	791	1,831
Later than five years	–	–	–	–
Total including GST	**2,309**	**4,337**	**2,309**	**4,337**

The capital commitments above include GST of $0.210 million (contingent asset), expected to be recoverable from the Australian Taxation Office.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000

Note 19 – Leases

(a) Operating lease receivables

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

Not later than one year	35,052	32,392	35,052	32,392
Later than one and not later than five years	101,753	95,778	101,753	95,778
Later than five years	973,623	920,520	973,623	920,520
Total including GST	**1,110,428**	**1,048,690**	**1,110,428**	**1,048,690**

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 $100.948 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	156	246	156	246
Later than one year and not later than five years	25	178	25	178
Later than five years	–	–	–	–
Total including GST	**181**	**424**	**181**	**424**

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 $0.016 million (contingent asset) that are expected to be recoverable from the Australian Taxation Office.

	Minimum future lease payments		Present value of minimum future lease payments	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
c) Finance lease payments				
Not later than one year	–	205	–	196
Later than one and not later than five years	–	–	–	–
Later than five years	–	–	–	–
Minimum lease payments	–	205	–	196
Less future interest payments	–	(9)	–	–
Present value of minimum lease payments	**–**	**196**	**–**	**196**
Included in financial statements (refer note 17)				
Current lease liability	–	196	–	196
Non current lease liability	–	–	–	–
	–	**196**	**–**	**196**
(d) Finance lease receivable				
Not later than one year	9,567	18,267	9,531	16,728
Later than one and not later than five years	40,974	40,974	32,816	30,167
Later than five years	4,705,001	4,705,001	118,619	109,046
Minimum lease payments receivable	4,755,542	4,764,242	160,966	155,941
Less future interest income	(4,594,576)	(4,608,301)	–	–
Present value of minimum lease payments receivable	**160,966**	**155,941**	**160,966**	**155,941**
Included in financial statements (refer note 8)				
Current finance lease receivable	9,531	16,728	9,531	16,728
Non current finance lease receivable	151,435	139,213	151,435	139,213
	160,966	**155,941**	**160,966**	**155,941**

Note 20 – Contingencies

(a) Contingent assets

A contingent asset exists in relation to Cooks Cove Development Corporation. Finalisation of the Cooks Cove project will include a commercial settlement with the financial institution to release their obligations under a performance undertaking. This is dependent on obtaining relevant Government approvals.

(b) Contingent liabilities

A contingent liability exists in relation to the NSW Government's Sharing Sydney Harbour Access Program. The liability represents the unused program funds that the Authority has allocated in prior years, in relation to works under this program.

	Consolidated		Authority	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000

Note 21 – 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:

Cash at bank and on hand	14,255	16,127	14,255	16,127
Investments (NSW Treasury Corporation)	55,926	73,733	55,926	73,733
	70,181	**89,860**	**70,181**	**89,860**

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 are 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	(70,668)	33,701	(70,668)	33,701
Non-cash flows in operating surplus:				
Depreciation and amortisation	30,685	17,075	30,685	17,075
Property related non cash revenue/expense	60,888	(36,163)	60,888	(36,163)
Change in operating assets and liabilities				
Decrease/(increase) in inventories	(59)	316	(59)	316
Decrease/(increase) in receivables	(4,391)	342	(4,391)	342
(Decrease)/increase in creditors	(7,530)	7,011	(7,530)	7,011
(Decrease)/increase in provisions	18,113	(3,576)	18,113	(3,576)
(Decrease)/increase in unamortised revenue	1,919	(18)	1,919	(18)
Net cash flows from operating activities	**28,957**	**18,688**	**28,957**	**18,688**

Refer to note 22 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Note 22 – 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 2012 $'000	Carrying amount 2011 $'000
Financial assets				
Class:				
Cash and cash equivalents	7	N/A	70,181	89,860
Receivables	8	Loans and receivables at amortised cost	164,427	158,942
Financial liabilities				
Class:				
Payables	13	Financial liabilities measured at amortised cost	25,048	26,854
Borrowings	15	Financial liabilities measured at amortised cost	5,000	10,000
Other liabilities	17	Financial liabilities measured at amortised cost	–	196

(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.

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 (2012: $2.804 million; 2011: $2.344 million) and debtors that are past due but not considered impaired (2012: $0.593 million; 2011: $0.446 million) together represent 98.14% 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
2012			
< 3 months overdue	476	453	23
3 months – 6 months overdue	98	98	–
> 6 months overdue	83	42	41
2011			
< 3 months overdue	300	264	36
3 months – 6 months overdue	228	152	76
> 6 months overdue	129	30	99

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 4.73% (2011: 5.16%), while over the year the weighted average interest rate was 4.83% (2011: 5.00%) on a weighted average balance during the year of $94.051 million (2011: $92.955 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 2012. The net fair value of these loans at balance date was $5 million (2011: $10 million). The weighted average effective interest rate for the year was 8.04% (2011: 7.78%) for loans.

During the current and prior years, there were no defaults 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.

Maturity analysis and interest rate exposure of financial liabilities

			Interest rate exposure			Maturity dates		
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012								
Payables:								
Trade and sundry creditors	–	6,390	–	–	6,390	5,844	277	269
Security deposits	4.29%	513	–	513	–	286	227	–
Casual bonds	–	93	–	–	93	93	–	–
Forward deposits	–	18,052	–	–	18,052	17,878	174	–
Borrowings:								
TCorp borrowings	8.04%	5,684	5,684	–	–	342	5,342	–
Other:								
Finance lease liability	–	–	–	–	–	–	–	–
		30,732	**5,684**	**513**	**24,535**	**24,443**	**6,020**	**269**
2011								
Payables:								
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
Borrowings:								
TCorp borrowings	7.78%	11,342	11,342	–	–	5,658	5,684	–
Other:								
Finance lease liability	6.02%	196	196	–	–	196	–	–
		38,392	**11,538**	**585**	**26,269**	**30,703**	**7,365**	**324**

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 2011. The analysis assumes that all other variables remain constant.

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.

		-1%		1%	
	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
2012					
Financial assets					
Cash and cash equivalents	70,181	(783)	(783)	783	783
Receivables	164,427	–	–	–	–
Financial liabilities					
Payables	25,048	–	–	–	–
Borrowings	5,000	–	–	–	–
Other – finance lease liability	–	–	–	–	–
2011					
Financial assets					
Cash and cash equivalents	89,860	(347)	(347)	347	347
Receivables	158,942	–	–	–	–
Financial liabilities					
Payables	26,854	–	–	–	–
Borrowings	10,000	–	–	–	–
Other – finance lease liability	196	–	–	–	–

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	2012 $'000	2011 $'000
Cash facility	Cash, money market instruments	Up to 1.5 years	55,926	43,733

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 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 (i.e. 95% possibility). The TCorp Hour Glass investment facilities aredesignated 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).

		Impact on profit/loss	
		2012	2011
	Change in unit price	$'000	$'000
Hour Glass Investment – Cash facility	+/-1%	+/-259	+/-437

(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	2012 Total $'000
Financial assets at fair value				
TCorp Hour Glass Investment Facility	–	55,926	–	55,926
	–	**55,926**	**–**	**55,926**

Note 23 – Change in accounting policy

The Authority changed its accounting policy in 2011 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.

	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**

Note 24 – Events after reporting date

On 15 August 2012, the Minister for Planning and Infrastructure announced a restructure of the Authority in order to create a more efficient and effective organisation. A change management plan has since been implemented to achieve this and other savings and efficiencies. This plan includes a voluntary redundancy program, the introduction of a new operating model, and an organisational review involving the NSW Governments Corporate and Shared Services Program.

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 2012

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 2012; 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.

Sam Haddad
Acting Chief Executive Officer
Sydney Harbour Foreshore Authority

Carolyn Fletcher
Board Member
Sydney Harbour Foreshore Authority

26 September 2012
Sydney

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 comprise the statement of financial position as at 30 June 2012, 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 2012, and of its financial performance and its cash flows 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 of the financial statements that give a true and fair view 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 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 control relevant to the Division's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. 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.

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 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 roles by the possibility of losing clients or income.

James Sugumar
Director, Financial Audit Services

28 September 2012
SYDNEY

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 $'000	2011 $'000
Personnel services revenue	3	2,519	2,291
Employee related expenses	4	(2,519)	(2,291)
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 2012

	Notes	2012 $'000	2011 $'000
Assets			
Current assets			
Receivables	5	74	53
Total current assets		**74**	**53**
Non-current assets			
Total non-current assets		–	–
Total assets		**74**	**53**
Liabilities			
Current liabilities			
Payables	6	74	53
Total current liabilities		**74**	**53**
Non-current liabilities			
Total non-current liabilities		**–**	**–**
Total liabilities		**74**	**53**
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 2012

	Notes	Accumulated funds $'000	Total $'000
Balance as at 1 July 2011		–	–
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 2012		**–**	**–**
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		**–**	**–**

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 2012

	Notes	2012 $'000	2011 $'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 2012

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 and Management Act 2002. 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 2012 were authorised for issue by the Authority's Board on 26 September 2012.

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* and regulation.

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) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) New Australian Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period. The Division did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 9 Financial Instruments (1 January 2013)
- AASB 10 Consolidated Financial Statements (1 January 2013)
- AASB 11 Joint Arrangements (1 January 2013)
- AASB 12 Disclosure of Interests in Other Entities (1 January 2013)
- AASB 13 Fair Value Measurement (1 January 2013)
- AASB 119 Employee Benefits (1 January 2013)
- AASB 127 Separate Financial Statements (1 January 2013)
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (1 January 2013)
- AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments (1 July 2012)
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (1 July 2013)
- AASB 2011-8 Amendments to Australian Accounting Standards Arising from AASB 13 (1 January 2013)
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (1 July 2012)
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (1 January 2013)
- AASB 2011-11 Amendments to AASB 119 arising from Reduced Disclosure Requirements (1 July 2013)
- AASB 2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049. (1 July 2012)
- AASB 2012-1 Amendments to Australian Accounting Standards – Fair Measurement- Reduced Disclosure Requirements (1 July 2013).

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 2012

	2012 $'000	2011 $'000
Note 3 – Personnel services revenue		
Revenue from supply of employee related services (refer note 4)	2,519	2,291
	2,519	2,291
Note 4 – Employee related expenses		
Salaries and wages	2,188	1,989
Defined contribution superannuation expense	197	179
Other employee related expenses	134	123
	2,519	**2,291**
Note 5 – Receivables		
Sydney Harbour Foreshore Authority	74	53
	74	**53**
Note 6 – Payables		
Accrued salaries, wages and on-costs	74	53
	74	**53**
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 2012 (None at 30 June 2011).

Note 9 – Contingencies

The Division is not aware of any contingent assets or liabilities at 30 June 2012 (None at 30 June 2011).

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.

End of audited financial statements

Internal Audit and Risk Management Attestation for the 2011–12 Financial Year for Luna Park Reserve Trust

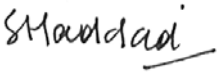
The governing board is of the opinion that the Luna Park Reserve Trust has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

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.
- independent Member – Alan Zammit, term of appointment: three years starting 27 February 2012
- non-independent staff member – Brett Whitworth, staff member Department of Planning and Infrastructure, term of appointment: two years starting 27 January 2012.
- non-independent staff member – Michael Leavey, staff member Department of Planning and Infrastructure, two year term of appointment expired on 15 January 2012.

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

- Luna Park Reserve Trust.



Sam Haddad

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

20 August 2012
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 2012

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 2012; 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.

Sam Haddad
Acting Chief Executive Officer
Sydney Harbour Foreshore Authority

Carolyn Fletcher
Board Member
Sydney Harbour Foreshore Authority

26 September 2012
Sydney

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 comprise the statement of financial position as at 30 June 2012, 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 2012, and of its financial performance and its cash flows 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 of the financial statements that give a true and fair view 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 give a true and fair view and 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 control relevant to the Trust's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. 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 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 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 other information that may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and 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 roles by the possibility of losing clients or income.

James Sugumar
Director, Financial Audit Services

28 September 2012
SYDNEY

LUNA PARK RESERVE TRUST

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Actual 2012 $'000	Budget 2012 $'000	Actual 2011 $'000
Expenses excluding losses				
Operating expenses				
Employee related		–	–	–
Other operating expenses	2	(1,325)	(971)	(1,377)
Depreciation and amortisation	9(b)	(603)	(603)	(603)
Other expenses		–	–	–
Total expenses excluding losses		**(1,928)**	**(1,574)**	**(1,980)**
Revenue				
Investment revenue	3	1,450	1,580	1,533
Other revenue	4	15	47	22
Total revenue		**1,465**	**1,627**	**1,555**
Net result		**(463)**	**53**	**(425)**
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment revaluation surplus		–	–	–
Total other comprehensive income		**–**	**–**	**–**
Total comprehensive income		**(463)**	**53**	**(425)**

The accompanying notes form part of these statements.

LUNA PARK RESERVE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	Actual 2012 $'000	Budget 2012 $'000	Actual 2011 $'000
Assets				
Current assets				
Cash and cash equivalents	5	545	1,083	470
Receivables	8	303	220	130
Total current assets		**848**	**1,303**	**600**
Non-current assets				
Property, plant and equipment	9	30,219	30,219	30,822
Total non-current assets		**30,219**	**30,219**	**30,822**
Total assets		**31,067**	**31,522**	**31,422**
Liabilities				
Current liabilities				
Payables	10	211	149	103
Total current liabilities		**211**	**149**	**103**
Non-current liabilities				
Total non-current liabilities		–	–	–
Total liabilities		**211**	**149**	**103**
Net assets		**30,856**	**31,373**	**31,319**
Equity				
Reserves		22,449	22,449	22,449
Accumulated funds		8,407	8,924	8,870
Total equity		**30,856**	**31,373**	**31,319**

The accompanying notes form part of these statements.

LUNA PARK RESERVE TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated funds $'000	Asset revaluation reserve $'000	Other Reserves $'000	Total $'000
Balance at 1 July 2011	**8,870**	**22,449**	**–**	**31,319**
Net result for the year	(463)	–	–	(463)
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**(463)**	**–**	**–**	**(463)**
Transactions with owners in their capacity as owners	**–**	**–**	**–**	**–**
Balance at 30 June 2012	**8,407**	**22,449**	**–**	**30,856**
Balance at 1 July 2010	**9,295**	**22,449**	**–**	**31,744**
Net result	(425)	–	–	(425)
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**(425)**	**–**	**–**	**(425)**
Transactions with owners in their capacity as owners	**–**	**–**	**–**	**–**
Balance at 30 June 2011	**8,870**	**22,449**	**–**	**31,319**

The accompanying notes form part of these statements.

LUNA PARK RESERVE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Actual 2012 $'000	Budget 2012 $'000	Actual 2011 $'000
Cash flows from operating activities				
Payments				
Other		(1,217)	(1,087)	(1,618)
Total Payments		**(1,217)**	**(1,087)**	**(1,618)**
Receipts				
Sale of goods and services		1,277	1,653	1,916
Interest received		15	47	22
Total Receipts		**1,292**	**1,700**	**1,938**
Net cash flows from operating activities	7	**75**	**613**	**320**
Cash flows from investing activities				
Net cash flows from investing activities		–	–	–
Cash flows from financing activities				
Net cash flows from financing activities		–	–	–
Net increase/(decrease) in cash		75	613	320
Opening cash and cash equivalents		470	470	150
Closing cash and cash equivalents	5	**545**	**1,083**	**470**

The accompanying notes form part of these statements.

Note 1 – Summary of significant accounting policies

(a) Reporting entity

The Luna Park Reserve Trust (the Trust), is a NSW government entity. The Trust is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

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.

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

These financial statements for the year ended 30 June 2012 have been authorised for issue by the Authority's Board on 26 September 2012.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation, and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

(e) Insurance

The entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

(f) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

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

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

(h) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. Rental revenue from operating leases is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term. Royalty revenue is recognised in accordance with AASB 118 Revenue on an accrual basis in accordance with the substance of the relevant agreement. Dividend revenue is recognised in accordance with AASB 118 when the entity's right to receive payment is established.

(i) Income tax

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

(j) Assets

(i) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the entity. 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 requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer – Note 1(l)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing $5,000 [or amount determined by the entity] and above individually (or forming part of a network costing more than $5,000) are capitalised.

(iii) Revaluation of property, plant and equipment

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.

The entity revalues each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2010 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 revaluation surplus, 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 net result, the increment is recognised immediately as revenue in the net result.

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

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 revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 Impairment of Assets effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the entity are regarded as immaterial.

(v) Depreciation of property, plant and equipment

Except for certain heritage assets, 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 to the entity.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The following depreciation rates were applied in 2011–12 and 2010–11:

Buildings	2.9–10.0%
Infrastructure	2.9–3.3%

(vi) Major inspection costs

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

(vii) 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.

(viii) 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.

(ix) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets 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, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(k) Payables

These amounts represent liabilities for goods and services provided to the entity 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.

(l) Equity and reserves

(i) Revaluation surplus
The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in note 1(j)(iii).

(ii) Accumulated funds
The category 'Accumulated funds' includes all current and prior period retained funds.

(m) Budgeted amounts
The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(n) Comparative amounts
Comparative amounts for some expense and revenue items are reclassified to align with the presentation for the current year. The presentation for the current year is modified to comply with the requirements of the Financial Reporting Code (Code). The Treasurer under the delegation from the *Public Finance and Audit Act* issued the Code to apply for all general government sector entities for year ending on or after 30 June 2012.

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.

(p) New Australian Accounting Standards issued but not effective
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period. The Trust did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 9 *Financial Instruments* (1 January 2013)
- AASB 10 *Consolidated Financial Statements* (1 January 2013)
- AASB 11 *Joint Arrangements* (1 January 2013)
- AASB 12 *Disclosure of Interests in Other Entities* (1 January 2013)
- AASB 13 *Fair Value Measurement* (1 January 2013)
- AASB 119 *Employee Benefits* (1 January 2013)
- AASB 127 *Separate Financial Statements* (1 January 2013)
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2013)
- AASB 2011-3 *Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments* (1 July 2012)
- AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (1 July 2013)
- AASB 2011-8 *Amendments to Australian Accounting Standards Arising from AASB 13* (1 January 2013)
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* (1 July 2012)
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (1 January 2013)
- AASB 2011-11 *Amendments to AASB 119 arising from Reduced Disclosure Requirements* (1 July 2013)
- AASB 2011-13 *Amendments to Australian Accounting Standard – Improvements to AASB 1049.* (1 July 2012)
- AASB 2012-1 *Amendments to Australian Accounting Standards – Fair Measurement- Reduced Disclosure Requirements* (1 July 2013).

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 $'000	2011 $'000
Note 2 – Other operating expenses		
Management fee	(45)	(117)
Auditor's remuneration – audit of financial statements	(12)	(14)
Heritage and infrastructure works expense	–	(250)
Repairs and maintenance	(1,148)	(989)
Legal fees	(120)	(7)
	(1,325)	**(1,377)**
Note 3 – Investment revenue		
Property rental	527	670
Heritage and infrastructure revenue	923	863
	1,450	**1,533**
Note 4 – Other revenue		
Interest	15	22
	15	**22**

Note 5 – 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	538	464
NSW Treasury Corporation-Hour Glass short term cash facility	7	6
	545	**470**
Note 6 – Restricted assets		
At the beginning of financial year	182	3
Heritage and infrastructure rent	923	863
Funds transferred from Luna Park Reserve Trust bank account	245	334
Expense for heritage and infrastructure works during the period	(1,350)	(768)
Expense for heritage and infrastructure works during 2003–04	–	(250)
At the end of financial year	**–**	**182**

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.

	2012 $'000	2011 $'000
Note 7 – Reconciliation of cash flows from operating activities to net result		
Net cash used on operating activities	(463)	(425)
Depreciation	603	603
Decrease / (increase) in prepayment and other assets	(173)	209
Decrease / (increase) in creditors	108	(67)
Net result	**75**	**320**
Note 8 – Receivables		
Rent receivable	303	110
GST receivable	–	20
	303	**130**
Note 9 – Property, plant and equipment		
(a) Amounts shown in the Statement of Financial Position are derived as follows:		
Land		
At fair value	12,000	12,000
	12,000	**12,000**
Buildings		
At gross value	42,459	42,459
Accumulated depreciation	(30,728)	(30,347)
Carrying amount	11,731	12,112
Infrastructure		
At gross value	12,795	12,795
Accumulated depreciation	(6,307)	(6,085)
Carrying amount	6,488	6,710
Total property, plant and equipment	**30,219**	**30,822**
(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	12,000
Gain on revaluation	–	–
Carrying amount at 30 June	12,000	12,000

	2012 $'000	2011 $'000
Buildings		
Carrying amount at 1 July	12,112	12,494
Depreciation expense	(382)	(382)
Gain on revaluation	–	–
Carrying amount at 30 June	11,730	12,112
Infrastructure		
Carrying amount at 1 July	6,710	6,931
Depreciation expense	(221)	(221)
Gain on revaluation	–	–
Carrying amount at 30 June	6,489	6,710
Total property, plant and equipment		
Carrying amount at 1 July	30,822	31,425
Depreciation expense	(603)	(603)
Gain on revaluation	–	–
Carrying amount at 30 June	**30,219**	**30,822**
Note 10 – Payables		
Trade creditors	25	–
GST payable	65	–
Accrued expenses	121	103
	211	**103**

Note 11 – Commitments for expenditure

The Trust has no expenditure commitments at 30 June 2012 (None at 30 June 2011).

Note 12 – Contingencies

There were heritage and infrastructure maintenance works incurred by the operator in 2011–12 which have not been recognised as an expense/liability by the Trust. Under the lease agreement the operator can be reimbursed for these costs if there are funds available in the Heritage and Infrastructure Fund account in any lease year.

Note 13 – 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 2012 $'000	Carrying amount 2011 $'000
Financial assets				
Class				
Cash and cash equivalents	5	N/A	545	470
Receivables	8	Receivables at amortised cost	303	110
Financial liabilities				
Class:				
Payables	10	Financial liabilities measured at amortised cost	25	–

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. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

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 andexpected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

Debtors that are not past due ($ 0.266 million; 2011: $0.110 million) and debtors that are past due but not considered impaired (2012: $0.037 million; 2011: none) represent 12% 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
2012			
< 3 months overdue	37	37	–
3 months – 6 months overdue	–	–	–
> 6 months overdue	–	–	–
2011			
< 3 months overdue	–	–	–
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 4.87% (2011: 5.37%), while over the year the weighted average interest rate was 4.74% (2011: 5.24%) on a weighted average balance during the year of $0.006 million (2011: $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 2012.

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 NSW TC 11/12. 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 opposite summarises the maturity profile of the Trust's financial liabilities, together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

			Interest rate exposure			Maturity dates		
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012								
Payables:								
Trade and sundry creditors	–	25	–	–	25	25	–	–
	–	**25**	**–**	**–**	**25**	**25**	**–**	**–**
2011								
Payables:								
Trade and sundry creditors	–	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**

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 2011. 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 undertaking 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.

		-1%		1%	
	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
2012					
Financial assets					
Cash and cash equivalents	545	(3)	(3)	3	3
Receivables	303	–	–	–	–
Financial liabilities					
Payables	25	–	–	–	–
2011					
Financial assets					
Cash and cash equivalents	470	(5)	(5)	5	5
Receivables	110	–	–	–	–
Financial liabilities					
Payables	–	–	–	–	–

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	2012 $'000	2011 $'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 information 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).

		Impact on profit/loss	
	Change in unit price	2012 $'000	2011 $'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	2012 Total $'000
Financial assets at fair value				
TCorp Hour Glass Investment Facility	–	6	–	6
	–	**6**	**–**	**6**

Note 14 – Budget Review

Net result

The actual net result was lower than budget by $516,000 due to lower than expected revenue from Luna Park Sydney due to the subdued market conditions. Also, higher maintenance costs were due to the additional works required for Heritage and Infrastructure assets after the full condition of these assets was revealed after the commencement of the works.

Assets and liabilities

Actual current assets were lower than budget by $455,000 due to the lower net result reducing the Trust's cash and cash equivalent balances. Actual current liabilities were higher than budget by $62,000 due to an accrued rental refund as part of the year end reconciliation.

Cash Flows

Actual cash flows from operating activities were lower than budget by $538,000. This was primarily due to the lower than expected revenue.

Note 15 – 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.

End of audited financial statements

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	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	1	0	0	0	0
Not-for-profit organisations or community groups	0	1	0	0	0	0	0	0
Members of the public (application by legal representative)	2	1	0	0	0	0	0	1
Members of the public (other)	4	0	0	0	0	1	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)	5	2	0	1	0	1	0	1
Access applications that are partly personal information applications and partly other	0	0	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)	1
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	1
Invalid applications that subsequently became valid applications	1

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

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
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 the 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	0
Business interests of agencies and other persons	2
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)	9
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	1
Total	11

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

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

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

	Number of applications for review
Applications by access applications	1
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)
S57-2011-018	Various sites within The Rocks	Temporary art installations and activities	0
S57-2011-019	White Bay Power Station, Robert Street, Rozelle	Use of external areas for filming *The Great Gatsby* and use of hard stand areas to construct film set and for car parking	1
S57-2011-020	Evans' Stores, 34–40 Harrington Street, The Rocks	Replacing existing air conditioning system including providing for a new reticulation and condenser unit and four new vertical risers	0
S57-2011-021	Cadman's Cottage grounds, trees and space, 110 George Street, The Rocks	Temporary structures erected in the Cadman's Cottage forecourt for Aroma Festival, recurring for five years for the duration of development application	3
S57-2011-022	Cleland Bond Stores, 33 Playfair Street, The Rocks	Essential service upgrade, relocation of gas pipework and meter, installation of combined desil sprinkler/hydrant pumpset and exhaust flue	4
S57-2011-023	British Seamans Hotel, 39–43 Argyle Street, The Rocks	Replacing and relocating hot water services	5
S57-2011-024	Bakers Oven, 121 George Street, The Rocks	Installing new suspended floor and framing in ground floor front room	4
S57-2011-025	Reynolds' Cottage, 28–30 Harrington Street, The Rocks	Temporary occupation of ground floor rooms as part of *Primavera 2011*	0
S57-2011-026	Former Bushells Warehouse, 117–119 Harrington Street, The Rocks	Installing anchor points to non-original fabric of parapet walls	0
S57-2011-027	Railings at Sydney Cove, Circular Quay to Dawes Point	Temporary art installation	1
S57-2011-028	Glenmore Hotel, 96–98 Cumberland Street, The Rocks	Temporary marquee on the rooftop for Melbourne Cup Day	3
S57-2011-029	Tenements, 117–117a Gloucester Street, The Rocks	Tree removal and replacement	0
S57-2011-030	Terrace, 29–31 George Street, The Rocks	Tree removal	0
S57-2011-031	Gannon House, 45–47 Argyle Street, The Rocks	Tree removal	0
S57-2011-032	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Temporary art exhibition	1
S57-2011-033	Mercantile Hotel, 25–27 George Street, The Rocks	Remedial works to steel lintel over ground floor entrance	1
S57-2011-034	Johnsons Building, 233–235 George Street, The Rocks	Strip-out and make good level 5 office tenancy	1

Application number	Address	Summary	Time (calendar days)
S57-2011-035	Shop and residence, 75–75½ George Street, The Rocks	Occupancy of ground floor of shop, including loose furniture and use of existing furniture. No alterations	2
S57-2011-036	ASN Co. Building, 1–5 Hickson Road, The Rocks	Installing air conditioning split system to cool a server room on level 4	2
S57-2011-037	Coach House – McKeller Stores, 4–6 Kendall Lane, The Rocks	Installing a panel/picture hanging rail around the perimeter of level 2	2
S57-2011-038	Gannon House, 45–47 Argyle Street, The Rocks	Painting interior of ground floor (previously painted surfaces)	0
S57-2012-001	Former Police Station, 127–129 George Street, The Rocks	Fixing a small temporary sign to the face of the building as part of interpretation program for visitors to access the smart phone walking tour	0
S57-2012-002	Accountants House, 117–119 Harrington Street, The Rocks	Minor internal alterations on level 3 to close an opening between tenancies	4
S57-2012-003	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Temporary art exhibition	1
S57-2012-004	Terrace, 38–40 Gloucester Street, The Rocks	Temporary occupancy for The Rocks Pop-up gallery and workshop	3
S57-2012-005	Baker's Terrace, 66–68 Gloucester Street, The Rocks	New internal glazed partition to form a conference room	1
S57-2012-006	Ariel Bookshop, 103 George Street, The Rocks	Conserving external stonework. Repair, replace and repoint joints. Reinstate roof sheeting, lead weathering and box gutters.	5
S57-2012-007	Pyrmont Bridge, Darling Harbour	Increasing the height of the guards around the pivot points of the barrier gates to prevent entry	1
S57-2012-008	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Temporary six week art exhibition in arcade, with two external art works	4
S57-2012-009	Former Bushells Warehouse, 86–88 George Street, The Rocks	Installing an ATM in the George Street lobby of Metcalfe Arcade	4
S57-2012-010	176 Cumberland Street, The Rocks	Adaption and alteration of steel framed awning, replacing drop down screens with new bi-fold doors and glazing	5
S57-2012-011	Science House, 157–169 Gloucester Street, The Rocks	Internal fitout for office on level 4 south. No external signage	1
S57-2012-012	Royal Naval House, 32–34 Grosvenor Street, The Rocks	Fitting a CCTV camera on the parapet	1
S57-2012-013	105 George Street, The Rocks	Installing a roof access and fall arrest system	0
S57-2012-014	13–15 and 17 Playfair Street, The Rocks	Repairs and maintenance including heat load reduction, repairs and upgrades to floor, repairs to door and windows, insulation to roof and ceiling, and electrical circuit upgrade	3
S57-2012-015	Various, The Rocks and Circular Quay	Temporary installation for Vivid Festival	0
S57-2012-016	16–18 Grosvenor Place, The Rocks	Modification of rainwater goods	4
S57-2012-017	White Bay Power Station, Robert Street, Rozelle	Maintenance works to chimney stacks including new steel cavers to chimneys and openings and replacing internal bracing	2

Application number	Address	Summary	Time (calendar days)
S57-2012-018	Johnsons Building, 233–235 George Street, The Rocks	Internal partitioning to level 6 offices	0
S57-2012-019	Baker's Terrace, 66–68 Gloucester Street, The Rocks	Replacing existing non-original downlights with alternate lights, using existing conduit routes	1
S57-2012-020	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Strip out and make good level 2 fitout	0
S57-2012-021	Former Mining Museum, 36–64 George Street, The Rocks	Removal of non-original internal steel stair and reconstruction of floor and structure to match existing	1
S57-2012-022	Accountants House, 117–119 Harrington Street, The Rocks	Lightweight infill of previous opening in original wall	1

Section 60 exemptions

S60-2011-009	Former Bushells Warehouse, 86–88 George Street, The Rocks	Interior refurbishment of level 2	3
S60-2011-010	Royal Naval House, 32–34 Grosvenor Street, The Rocks	Installation of entry canopy with associated signage and painting of internal atrium	3
S60-2011-011	Evans' Stores, 42–52 Harrington Street, The Rocks	s65A modification to s60-2011-007 including reconfiguration of level 1 retail space and its openings to Nurses Walk, new paint to courtyard and new cooling tower equipment on roof of 1980s additions	6
S60-2011-012	223–225, 229 and 231 George Street, The Rocks	Fitout and internal refurbishment and awning signage	2
S60-2011-013	Terrace, 29–31 George Street, The Rocks	Internal alterations, new fitout and external signage for barber shop	2
S60-2011-014	Shop and residence, 139–141 George Street, The Rocks	New retail fitout and external signage	2
S60-2011-015	Evans' Stores, 34–40 Harrington Street, The Rocks	Replacement of non-significant stairs	1
S60-2011-016	Reynolds' Cottage, 28 Harrington Street, The Rocks	Maintenance work and tenant fitout reversal	2
S60-2011-017	Accountants House, 117–119 Harrington Street, The Rocks	Building entrance lobby refurbishment	2
S60-2012-001	Evans' Stores, 34–40 Harrington Street, The Rocks	Proposed external awnings, signage, lighting, painting and security cameras	1
S60-2012-002	Shop and residence, 105 George Street, The Rocks	New internal fitout and external signage	6
S60-2012-003	White Bay Power Station, Robert Street, Rozelle	Demolition of kitchen canteen structure	7
S60-2012-004	Shop and residence, 75–75½ George Street, The Rocks	Internal ground floor fitout and external signage	4
S60-2012-005	Science House, 157–169 Gloucester Street, The Rocks	Internal fitout works to ground, first, second and third floors. New external signage	1

Application number	Address	Summary	Time (calendar days)
S60-2012-006	Science House, 157–169 Gloucester Street, The Rocks	Alterations and additions to existing building including new lobby with access ramp, modification to fire stairs and construction of toilet facilities	1
S60-2012-007	Former Sailors Home, 106–108 George Street, The Rocks	Installation of a glass door, with retention of existing timber door to eastern elevation of lower ground floor.	5
S60-2012-008	Argyle Stores, 12–20 Argyle Street, The Rocks	Modification to existing bar including new airlock and entrance, removal and replacement of non-significant doors and removal of non-significant stairs with reconstruction of floor	4

Section 139 exemptions

S139-2012-001	Cumberland Street to Gloucester Street, The Rocks	Cabling from Cumberland Street to Gloucester Street	7
S139-2012-002	South-eastern corner of George and Argyle streets, The Rocks	Installing pram ramp for relocated pedestrian crossing	1
S139-2012-003	George Street, Cumberland Street and Lime Street, The Rocks	Excavation and construction of three manholes to the Bennelong stormwater drain as part of Sydney Water's sewer and stormwater rehabilitation program	7
S139-2012-004	Harbour Street and Shelly Street, Darling Harbour	16 trial holes excavated by hand along the proposed route from Darling Harbour to Barangaroo to investigate any potential archaeological or other features	9
S139-2012-005	Gloucester Walk, The Rocks	Repair the sandstone cliff face at the end of Atherden Street, abutting Gloucester Walk, by removing loose and cracked stone using a bucket with a boom lift	8

Payment of accounts

Aged analysis at the end of each quarter

Quarter ended	Current within due date $'000	Less than 30 days overdue $'000	Between 30 and 60 days overdue $'000	Between 61 and 90 days overdue $'000	More than 90 days overdue $'000
All Suppliers					
30 September 2011	580	2	(5)	1	–
31 December 2011	97	56	–	–	22
31 March 2012	10	–	–	–	–
30 June 2012	2,401	43	(4)	1	–
Small Business Suppliers[1]					
31 March 2012	1	–	–	–	–
30 June 2012	480	–	–	–	–

1 The new payment of accounts policy, in accordance with Treasury Circular NSW TC 11/12, became operational from 1 January 2012.

Accounts due or paid within each quarter

Measure	Quarter ended 30 September 2011	Quarter ended 31 December 2011	Quarter ended 31 March 2012	Quarter ended 30 June 2012
All Suppliers				
Number of accounts due for payment	4,108	4,291	4,233	4,204
Number of accounts paid on time	3,831	4,085	3,912	4,031
Actual percentage of accounts paid on time (based on number of accounts)	93.3%	95.2%	92.4%	95.9%
Dollar amount of accounts due for payment	74,842,941	58,871,016	51,198,287	85,725,302
Dollar amount of accounts paid on time	73,452,191	56,042,580	47,233,295	80,122,850
Actual percentage of accounts paid on time (based on $)	98.1%	95.2%	92.3%	93.5%
Number of payments for interest on overdue accounts	–	–	–	2
Interest paid on late accounts	–	–	–	123
Small Business Suppliers[2]				
Number of accounts due for payment to small businesses	n/a	n/a	377	432
Number of accounts due to small businesses paid on time	n/a	n/a	369	425
Actual percentage of small business accounts paid on time (based on number of accounts)	n/a	n/a	97.9%	98.4%
Dollar amount of accounts due for payment to small businesses	n/a	n/a	1,372,202	1,207,918
Dollar amount of accounts due to small businesses paid on time	n/a	n/a	1,286,520	1,156,892
Actual percentage of small business accounts paid on time (based on $)	n/a	n/a	93.8%	95.8%
Number of payments to small business for interest on overdue accounts	–	–	–	2
Interest paid to small businesses on late accounts	–	–	–	123

2 The new implementation of penalty interest on late payment of accounts, in accordance with Treasury Circular NSW TC 11/20, became operational from 1 January 2012.

Automated monitoring and reporting of accounts has been implemented during 2011–12 where all accounts are tracked from the time the invoice is officially received. Accounts over 15 days appear on a daily report and are followed up by the Accounts team.

There were two instances where penalty interest was incurred. The reasons for delay in making the payments that led to the payment of interest were:

1. a delay in gaining additional approval for a variation to a contract that one invoice related to
2. an invoice that was initially rejected on the basis that services had not been adequately delivered was eventually paid after review with the supplier.

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Sustainable annual reporting

To enhance the sustainability of the 2011–12 Annual Report, Sydney Harbour Foreshore Authority has produced it in an electronic format, available at www.shfa.nsw.gov.au.

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

The total cost for external design and production was $11,700.