

**AGENCY
BUDGET STATEMENTS**

**SYDNEY HARBOUR
FEDERATION TRUST**

SYDNEY HARBOUR FEDERATION TRUST

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SYDNEY HARBOUR FEDERATION TRUST

Section 1: Overview

The Sydney Harbour Federation Trust (the Harbour Trust) is responsible for the future of certain lands on or near the foreshores of Sydney Harbour. These are former Defence and other special Commonwealth lands that the Harbour Trust is planning, managing, conserving, enhancing and making publicly accessible. The lands are the former Artillery School on North Head, former Defence lands at Middle Head, Georges Heights and Chowder Bay, Woolwich Dock and Parklands, former HMAS Platypus at Neutral Bay, Cockatoo Island, Snapper Island, Macquarie Lightstation and the former Marine Biological Research Station at Camp Cove.

The Harbour Trust's outcome reflects the legislation under which it was established – the *Sydney Harbour Federation Trust Act 2001*.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians	<p>The Harbour Trust will:</p> <ul style="list-style-type: none"> • hold Trust land for and on behalf of the Commonwealth; • undertake community consultation on the management and conservation of Harbour Trust land; • develop management plans for the utilisation of Harbour Trust land and any other Harbour land in furthering the objects of the legislation; • rehabilitate, remediate, develop, enhance and manage Harbour Trust lands; • promote appreciation of Harbour Trust land, in particular its environmental and heritage values; and • grant licences and leases for the use of lands and buildings. <p>The Harbour Trust operates from premises at Georges Heights, Mosman, NSW.</p>	<p>Output Group 1.1 Trust plans</p> <p>Output Group 1.2 Public information</p> <p>Output Group 1.3 Site conservation</p>

The Harbour Trust's outcome will be delivered through three outputs. These are:

Trust Plans - The preparation of detailed management plans consistent with the Harbour Trust's Comprehensive Plan for the future use and management of the lands is a major element of the Harbour Trust's operation. The management plans are being prepared in consultation with the community, including exhibitions, workshops, site visits and calls for submissions on draft management plans and proposed action plans.

Public Information - Informing the public of the lands and their heritage and environmental significance. This involves informing the public of how and when access to the lands will be available. Educational information, tours, open days and events will be provided to promote knowledge of, and access to, the lands. Public programmes will be provided to inform people of the conservation values of the lands.

Site Conservation - The lands are to be progressively rehabilitated, conserved and made accessible to the public. This includes the restoration of important heritage items and sites, the decontamination and programmed maintenance of lands and buildings, the development of lands to allow public access and the rehabilitation of buildings and services to make them available for long-term use.

Section 2: Resources for 2006-07

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The Sydney Harbour Federation Trust's (the Harbour Trust) business plan provides for progressive increases in revenue as buildings are made available for commercial or other uses with the objective that the Harbour Trust will become self-funding at the end of its 10 year life.

The total appropriation for the Harbour Trust in 2006-07 is \$22.619 million. This comprises \$1.619 million departmental output appropriation and \$21.0 million departmental equity injection.

Table 2.1: Appropriations and other resources 2006-07 ('000)

Sydney Harbour Federation Trust Agency Resourcing—2006-2007										
Agency/Outcome/ Non-operating	Departmental				Administered					Total \$'000
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPPs \$'000	Other (b) \$'000	Special Appropriation \$'000	Receipt (a) \$'000	
Outcome 1										
<i>Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians</i>										
Equity injections	-	21,000	-	-	-	-	-	-	-	21,000
Appropriation	1,619	-	-	5,503	-	-	-	-	-	7,122
TOTAL	1,619	21,000	-	5,503	-	-	-	-	-	28,122

(a) Departmental and administered receipts from independent sources that are available to be spent. This amount may differ from 'other resources available to be used' due to timing of cash flows.

(b) Includes new administered expenses and administered assets and liabilities.

2.2 2006-07 BUDGET MEASURES

There are no measures for the Harbour Trust in the 2006-07 Budget.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by the agency for provision of goods or services. These resources are approved for use by the agency and are included in Table 2.1.

Table 2.3: Other resources available to be used

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental resources		
Interest received	545	507
Goods and services	60	60
Grant revenue from related entities	1,000	1,000
Revenue from property rentals	3,395	4,933
Total departmental other resources available to be used	5,000	6,500

2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

There are no movements of administered funds from 2005-06 to 2006-07 for the Harbour Trust.

2.5 SPECIAL APPROPRIATIONS

There are no special appropriations for the Harbour Trust in the 2006-07 Budget.

2.6 SPECIAL ACCOUNTS

There are no special accounts for the Harbour Trust in the 2006-07 Budget.

2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Harbour Trust has not been appropriated any administered capital or loans for 2006–07.

The Harbour Trust will receive a departmental equity injection of \$21.0 million in 2006–07 for remediation and rehabilitation works associated with its properties. These funds are accounted for in the Departmental Capital Budget Statement.

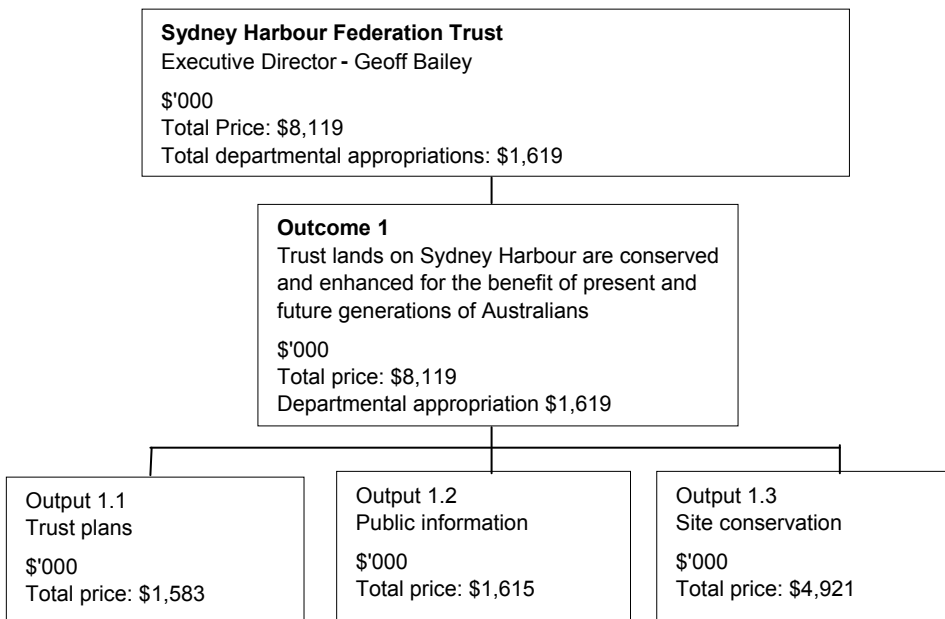
Section 3: Outcomes

General Government Sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for the Sydney Harbour Federation Trust (Harbour Trust).

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of the Harbour Trust and the outcomes is summarised in Figure 4.

Figure 4: Contributions to outcomes



This structure shows the relationship between the Government outcome and contributing outputs for the Harbour Trust, presented here as output groups. Financial details for this outcome by outputs and output groups appear in Table 3.1 while non-financial information for the outcome appears in Table 3.2.

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and output structure for the Harbour Trust since the 2005–06 Budget.

OUTPUT COST ATTRIBUTION

The costs of administrative and operating overheads have been attributed to outputs in proportion to the relative costs of each output.

3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

The Harbour Trust has one outcome.

Administered appropriations by outcome

There are no administered appropriations for the Harbour Trust.

3.3 OUTCOMES AND PERFORMANCE

Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations	-	-
Total administered appropriations	-	-
Departmental appropriations		
Output Group 1.1 -		
Output 1.1.1 - Trust plans	1,590	818
Output 1.2.1 - Public information	1,561	801
Output 1.3.1 - Site conservation	-	-
Subtotal Output Group 1.1	3,151	1,619
Total revenue from government (appropriations) Contributing to price of departmental outputs	3,151	1,619
Other resources available to be used		
Output 1.1.1 - Trust plans	-	765
Output 1.2.1 - Public information	60	814
Output 1.3.1 - Site conservation	4,940	4,921
Total revenue from other sources	5,000	6,500
Total resources (Total revenue from government and from other sources)	8,151	8,119
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	8,151	8,119
	2005-06	2006-07
Average staffing level (number)	47.0	47.0

Measures affecting Outcome 1

There are no measures for the Harbour Trust in the 2006-07 Budget.

Contributions to achievement of Outcome 1

Through the *Sydney Harbour Federation Trust Act 2001* the Sydney Harbour region land will be conserved and preserved for the benefit of present and future generations of Australians.

Administered activities

The Harbour Trust has no administered activities.

Departmental Outputs

The Harbour Trust has three outputs that contribute to the one outcome as follows:

- Trust plans – Management plans consistent with the Harbour Trust’s Comprehensive Plan are prepared for Harbour Trust lands following community consultation;
- Public information – The public is informed of the environmental and heritage significance of Harbour Trust lands and has access to them; and
- Site conservation – Harbour Trust lands are progressively rehabilitated, conserved and made publicly accessible.

Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to the Harbour Trust are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Effectiveness -Overall Achievement of the Outcome	
Trust Lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians	Heritage items are identified and essential preservation and maintenance occurs. Environmental and safety hazards are identified and management plans prepared. The lands are accessible to the public and community and business use occurs.

SECTION 3 - SYDNEY HARBOUR FEDERATION TRUST

Table 3.2: Performance information for Outcome 1 (continued)

Output group 1.1: Trust plans		
Output group 1.1.1 Management plans consistent with the Harbour Trust's Comprehensive Plan are prepared for Harbour Trust lands following community consultation.	Quality	Plans conform with 'best practice', have broad community support and reflect input from the consultative process. Management plans will be consistent with the Harbour Trust's Comprehensive Plan approved by the Minister.
	Quantity	Management plans covering three precincts are prepared and drafts are exhibited. Background studies, policies and assessments for significant heritage and transport matters affecting Harbour Trust lands are prepared. The Community Advisory Committee and the broader community provide input into the planning process.
	Price	\$1.583m

Output group 1.2: Public information		
Output group 1.2.1 The public is informed of the environmental and heritage significance of the Harbour Trust lands and has access to them.	Quality	Sound communications methods are used to promote Harbour Trust lands, activities and values. Community awareness of the Harbour Trust and its activities increases. The media maintains an interest in the Harbour Trust.
	Quantity	The public are informed of the lands and their significance through partnership programmes, education materials and interpretive programmes with neighbours. The public are informed of how and when access to the lands is available; tours, events or open days occur on all lands progressively over the year. The Harbour Trust receives positive media coverage for all significant public events and plan documents. Public education programmes are established.
	Price	\$1.615m

Output	Performance indicator	
Output group 1.3: Site conservation		
Output group 1.3.1 Harbour Trust lands are progressively rehabilitated, conserved and made publicly accessible	Quality	Rehabilitation of land, building, infrastructure and equipment is consistent with conservation, environmental, heritage and cultural values and relevant standards. Harbour Trust lands and facilities meet workplace and public safety standards. Further deterioration of Harbour Trust lands is minimised.
	Quantity	Undertake maintenance works at sites. Increase accessibility of all the lands. Implement repair, maintenance and public safety work programmes. Harbour Trust facilities are increasingly available for public access and business and community use.
	Price	\$4.921m

Evaluations for Outcome 1

There are no evaluations planned for 2006-07 for the Harbour Trust.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

There are no formal purchaser-provider arrangements for the Sydney Harbour Federation Trust (the Harbour Trust).

4.2 COST RECOVERY ARRANGEMENTS

Summary of cost recovery impact statement

The Harbour Trust is committed to implementing the Australian Government's formal cost recovery policy. In accordance with this policy the Harbour Trust will adhere to the Australian Government's cost recovery guidelines when:

- undertaking reviews consistent with the Government's five-year review schedule for existing cost recovery arrangements;
- new cost recovery arrangements are proposed;
- significant amendments to existing arrangements are being considered; and
- periodic reviews of cost recovery arrangements are required.

The Harbour Trust's business plan provides for progressive increases in revenue as buildings are made available for commercial or other uses with the objective that the Harbour Trust will become self-funding at the end of its 10 year life.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

There is no Australian Government Indigenous Expenditure for the Harbour Trust.

Section 5: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Sydney Harbour Federation Trust's (the Harbour Trust) budgeted financial statements, as reflected in the Harbour Trust's budgeted departmental financial statements for 2006–07, is provided below.

Budgeted Departmental Income Statement

The Harbour Trust is budgeting for a break even operating result for 2006–07.

The Harbour Trust's revenues from government (annual appropriation) decline over the budget and forward estimate years as the Harbour Trust's properties are progressively remediated and become available for leasing. The reduction in revenue from government for 2006–07 is \$1.5 million, while revenues from property leasing (other revenue from ordinary activities) are expected to increase by \$1.5 million.

Budgeted Departmental Balance Sheet

The Harbour Trust's major assets are the lands and buildings, which the Harbour Trust holds on behalf of the Commonwealth. The total value increases to \$124.7 million in 2006–07 due to the capital cost of the Harbour Trust's projected works programme of \$22.0 million.

BUDGETED FINANCIAL STATEMENTS TABLES**Table 5.1: Budgeted departmental income statement
for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	3,151	1,619	565	25	26
Goods and services	504	60	60	60	60
Interest	1,338	507	490	493	493
Rents	1,722	3,100	4,600	6,650	7,650
Other	14,752	2,833	1,850	1,297	2,796
Total revenue	21,467	8,119	7,565	8,525	11,025
Total income	21,467	8,119	7,565	8,525	11,025
EXPENSE					
Employees	4,175	3,782	3,849	3,874	3,874
Suppliers	14,925	4,299	3,678	3,613	3,613
Depreciation and amortisation	397	38	38	38	38
Total expenses	19,497	8,119	7,565	7,525	7,525
Operating result from continuing operations					
Operating result	1,970	-	-	1,000	3,500
Net surplus or (deficit) attributable to the Australian Government	1,970	-	-	1,000	3,500

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**Table 5.2: Budgeted departmental balance sheet
as at 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	29,878	18,319	18,384	18,450	15,950
Receivables	14,362	297	300	300	800
Total financial assets	44,240	18,616	18,684	18,750	16,750
Non-financial assets					
Land and buildings	61,250	110,686	132,686	154,686	173,186
Infrastructure, plant and equipment	1,016	752	714	676	676
Heritage and cultural assets	14,092	14,004	14,004	14,004	14,004
Inventories	-	1,227	1,227	1,227	1,227
Total non-financial assets	76,358	126,669	148,631	170,593	189,093
Total assets	120,598	145,285	167,315	189,343	205,843
LIABILITIES					
Provisions					
Employees	690	683	711	738	738
Total provisions	690	683	711	738	738
Payables					
Suppliers	840	745	747	748	748
Total payables	840	745	747	748	748
Total liabilities	1,530	1,428	1,458	1,486	1,486
EQUITY*					
Parent entity interest					
Contributed equity	109,485	134,491	156,491	177,491	190,491
Retained surpluses or accumulated deficits	9,583	9,366	9,366	10,366	13,866
Total parent entity interest	119,068	143,857	165,857	187,857	204,357
Total equity	119,068	143,857	165,857	187,857	204,357
Current assets	44,240	19,843	19,911	19,977	17,977
Non-current assets	76,358	125,442	147,404	169,366	187,866
Current liabilities	1,345	1,244	1,273	1,292	1,297
Non-current liabilities	185	184	185	194	189

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

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**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	3,150	66	66	66	66
Appropriations	3,151	1,619	566	25	26
Interest	1,338	628	590	593	593
Other	1,320	8,408	8,993	10,491	10,414
Total cash received	8,959	10,721	10,215	11,175	11,109
Cash used					
Employees	4,303	3,752	3,848	3,874	3,874
Suppliers	7,526	6,903	6,302	6,235	6,235
Total cash used	11,829	10,655	10,150	10,109	10,109
Net cash from or (used by) operating activities	(2,870)	66	65	1,066	1,000
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	11,700	22,000	22,000	22,000	16,500
Total cash used	11,700	22,000	22,000	22,000	16,500
Net cash from or (used by) investing activities	(11,700)	(22,000)	(22,000)	(22,000)	(16,500)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	20,500	21,000	22,000	22,000	16,500
Other	-	-	-	-	-
Total cash received	20,500	21,000	22,000	22,000	16,500
Cash used					
Other	-	-	-	1,000	3,500
Total cash used	-	-	-	1,000	3,500
Net cash from or (used by) financing activities	20,500	21,000	22,000	21,000	13,000
Net increase or (decrease) in cash held	5,931	(934)	65	66	(2,500)
Cash at the beginning of the reporting period	23,947	19,253	18,319	18,384	18,450
Cash at the end of the reporting period	29,878	18,319	18,384	18,450	15,950

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Table 5.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	9,366	-	-	113,491	122,857
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	9,366	-	-	113,491	122,857
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)				21,000	21,000
Sub-total transactions with owners	-	-	-	21,000	21,000
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2007	9,366	-	-	134,491	143,857

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Table 5.5: Departmental capital budget statement

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	20,500	21,000	22,000	22,000	16,500
Total capital appropriations	20,500	21,000	22,000	22,000	16,500
Represented by:					
Purchase of non-financial assets	11,700	22,000	22,000	22,000	16,500
Other	-	-	-	-	-
Total represented by	11,700	22,000	22,000	22,000	16,500
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	20,500	21,000	22,000	22,000	16,500
Funded internally by					
Departmental resources	-	1,000	-	-	-
Total	20,500	22,000	22,000	22,000	16,500

Table 5.6: Departmental property, plants, equipment and intangibles - summary of movement (Budget year 2006-07)

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	property	property		military	infrastructure	and cultural	software	intangibles	
	\$'000	\$'000	\$'000	equipment	plant and	assets	\$'000	\$'000	\$'000
					equipment				
As at 1 July 2006									
Gross book value	56,867	-	32,155	-	985	14,004	-	-	104,011
Accumulated depreciation	-	-	(336)	-	(195)	-	-	-	(531)
Opening net book value	56,867	-	31,819	-	790	14,004	-	-	103,480
Additions:									
by purchase	9,500	-	12,500	-	-	-	-	-	22,000
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through	-	-	-	-	-	-	-	-	-
equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	(38)	-	-	-	(38)
Depreciation/amortisation expense	-	-	-	-	-	-	-	-	-
Impairments recognised in operating	-	-	-	-	-	-	-	-	-
result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2007									
Gross book value	66,367	-	44,655	-	985	14,004	-	-	126,011
Accumulated depreciation	-	-	(336)	-	(233)	-	-	-	(569)
Estimated closing net book value	66,367	-	44,319	-	752	14,004	-	-	125,442