

SYDNEY HARBOUR FEDERATION TRUST

105th MEETING

Boardroom, SHFT Offices, Building 28, Best Ave, Mosman
Meeting in Private

16 June 2016

MINUTES

True & Correct Record of the 105th Meeting of the
Sydney Harbour Federation Trust



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Chairman

DRAFT UNTIL SIGNED

Minutes of the 105th meeting of the Sydney Harbour Federation Trust held in the Boardroom, Sydney Harbour Federation Trust offices, Building 28, Best Ave, Mosman at 10.00am on 16 June 2016.

Present

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| Mr Kevin McCann AM | Chairman |
| Mrs Jean Hay AM | Member |
| Mr Joseph Carrozzi | Member |
| Ms Sandra Hook | Member (left at 1.15pm) |
| Ms Sally Herman | Member |

In attendance

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| Dr Susan Culverston | Acting Executive Director |
| Mr David Llewelyn | Acting Director Corporate Services, CFO |
| Ms Jane Page | Secretariat |
| Ms Eliza Beashel | Director, Marketing, Communications and Visitor Experience (Agenda Item 6 only) |
| Mr Jamie Lonie | Director, Asset Management and Operations (Agenda Item 6 only) |
| Mr Wayne Wilson | Director, Property and Business Development (Agenda Item 6 only) |

Apologies

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| Ms Josephine Cashman | Member |
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The meeting commenced at 10.00am on Thursday 16 June 2016.

1) Introduction

a) Welcome

The Trust RESOLVED to meet in private because of confidential budget matters on the agenda.

Moved: S Hook

Seconded: J Carrozzi

The Chairman welcomed all to the meeting and acknowledged the traditional owners. In particular, he welcomed the three recently appointed Trustees – Joseph Carrozzi, Sally Herman and Sandra Hook. He advised that there were currently two vacancies on the Board, the appointments having been caught up in Caretaker mode with the upcoming federal election.

b) Apologies

Ms Josephine Cashman's apology was noted.

c) The Declarations of Interest.

The changes were noted.

2) Minutes of the Meeting held on 22 April 2016 (Agenda Item 2)

The minutes from the 104th meeting held in private on 22 April 2016 were considered.

The Trust RESOLVED to accept the minutes, from the 104th meeting of the Trust held in private on 22 April 2016.

Moved: J Hay

Seconded: K McCann

Matters Arising

Trend Analysis – as reflected on Trip Advisor was predominately in regard to food and beverage on Cockatoo Island. Visitation to the Island is seasonal and this can prove

challenging for food and beverage facilities on the island. Monitoring of issues raised will be ongoing.

Sydney Harbour Conservancy – has DGR status. After discussion, it was agreed that the Conservancy should be retained and the Trust should also look to partnerships with private enterprise as a priority.

3) Draft Budget 2016-2017 (Agenda Item 3)

Before considering the draft budget for 2016-2017, the financial report was discussed. Mr Llewelyn presented the financial report and draft budget 2016-2017 to the meeting.

Financial Report

At the end of April the Harbour Trust had a surplus of \$1.367m with an end of year forecast surplus of \$0.688m. This compares to the budgeted end year result of a \$0.058m surplus. There have been improvements in a number of revenue streams including merchandise and tours, particularly the revised school tour program which has been well accepted by schools. The Harbour Trust's end year position will see an improved outcome from that budgeted. However, the current surplus will reduce over the remaining two months due to heightened activities as a result of the maintenance program, Biennale event and management plan program expenses. Parking, commercial leasing and residential leasing revenues are tracking above budget.

Additional grant funding spread over 3 years has been received for the 3rd Quarantine cemetery at NH and the convict precinct on Cockatoo Island.

Draft Budget 2016-2017

The preliminary budget was presented at the Board meeting in February. The budget 2016-2017 being presented was a revised and refined version of that draft budget. The Harbour Trust continues to face challenging economic times due to delays in presenting new commercial leasing stock into the market place, lower interest yields and higher repair and maintenance costs as a result of aging properties and infrastructure assets. With interest yields at an all-time low, it is critical that the Harbour Trust moves quickly to refurbish key property assets with the aim of increasing its leasing stock and therefore realising improved yields on its asset base.

There was discussion as Mr Llewelyn explained the assumptions on which the budget was formed. A conservative approach has been taken with licensing revenue. It was agreed that a review of the licensing revenue in the budget needs to be undertaken with an increase in the forecast revenue requested through a more proactive approach being taken and the setting of stretch targets. Management will discuss the increase and review the budget accordingly.

The Trust RESOLVED to approve the Budget for 2016-17 as presented but with an increase in the revenue from licensing.

Moved: J Carrozzi

Seconded: S Herman

4) Chairman's Report (Agenda Item 4)

The Chairman delivered a verbal report. The report was a précis for newly appointed Trustees and a general update.

The Chairman advised that there are currently two vacancies on the Board. The appointment to these positions has been held up due to the pending Federal election and the government being in caretaker mode. It is hoped that once the election results are known, the appointments will be made.

The report was an update for Trustees on the activities undertaken since the strategy discussions at the Board meeting on 22 April. It was agreed that a more pro-active approach to licensing matters is required as well as ways of attracting more visitors to Harbour Trust sites throughout the year and not just during events. Commercial leasing is the major revenue stream for the Harbour Trust and is the major focus of the Business Development Strategy.

Other Business

The Chairman has written letters of thanks to the Hon Leo McLeay and Mr Rohan Jeffs for their input to the Trust during the five years of their appointments as Trustee. In particular, thanks were given to Mr McLeay for his work as acting Chairman in the Chairman's absence and the work undertaken as Chairman of the Heritage Subcommittee. Mr Jeffs was thanked for the three plus years he served as Chairman of the Audit, Risk and Compliance Committee.

Throughout the meeting, there was background discussion to enlighten new Trustees of Harbour Trust matters, not necessarily requiring covering reports or minuting.

There being no further business, the meeting closed at 1.45pm.