



SYDNEY HARBOUR FEDERATION TRUST

165th MEETING OF THE TRUST

Meeting in Private held in the
Sydney Harbour Federation Trust Boardroom, Mosman and via videoconference

Thursday 17 August 2023 at 9.30am – 1.00pm

MINUTES

True & Correct (Abridged) Record of the 165th Meeting of the Trust
(private and confidential information has been removed where indicated)

Alison Page, Acting Chair

Minutes of the 165th meeting of the Sydney Harbour Federation Trust held on Thursday 17 August 2023.

Present

Ms Alison Page	Acting Chair
Ms Chantelle Fornari	Member
Prof. the Hon. Pru Goward AO* (<i>partial attendance</i>)	Member
Mr Steve Issa*	Member

* *Attended via videoconference*

Apologies

Nil

In Attendance

Ms Janet Carding	Executive Director
Mr Graham Izod (<i>partial attendance</i>)	Director Assets & Parklands
Ms Bernadette Or (<i>partial attendance</i>)	Chief Operating & Financial Officer
Ms Rosemary Southcombe	Secretariat

The meeting commenced at 9.30am and was held in private due to confidential matters on the agenda. The meeting was held in person and via videoconference.

1. Welcome (Agenda Item 1)

The Acting Chair, Ms Alison Page, opened the meeting with an acknowledgement of the Traditional Custodians and Owners of the Harbour Trust lands and paid respects to Elders past, present and emerging.

Attendees were welcomed.

a) Apologies

There were no apologies for the meeting. Prof the Hon Pru Goward AO had been listed on the agenda as an apology for this meeting, however, was able to attend for the majority of the meeting.

b) Declarations of Interest

Members of the Trust were requested to advise if any declarations of interest are required during the meeting. Ms Page provided updates to her list of declarations of interest circulated with the papers for this meeting as follows:

Remove:

- Creative Economy Taskforce
- Senior Advisory for Indigenous Voice

Add:

- Councillor, Australian National Maritime Museum
- Board Member, National Australia Day Council
- Board Member, Aboriginal Hostels Ltd
- Associate Dean, Indigenous Leadership + Engagement Design Architecture + Building UTS
- INSW First Nations Advisory Committee Chair Barangaroo
- INSW Arts and Culture Panel Member Barangaroo
- Lendlease Art Advisory Panel Barangaroo

2. Action Items from previous Meetings of the Trust (Agenda Item 3)

All action items from previous meetings have been completed, are in progress or will be discussed at this meeting.

Ms Carding advised that a meeting will be organised for Mr Issa to speak with the Harbour Trust's Head of Digital Transformation to gain a deeper insight into the Harbour Trust's ICT strategy.

Ms Carding advised she will speak with Trust Members individually to canvass their suggestions for potential partnerships. Ms Goward spoke of her recent visit overseas and her observations regarding the various cultural institutions / sites she visited where partnerships were not merely passive donors. Ms Goward and Ms Carding will meet in the coming weeks to discuss this further. Ms Carding also advised that a roundtable conference has been organised to take place on 30 August 2023 with a number of agencies to discuss a whole of Harbour approach to planning around the Sydney Harbour foreshore.

The Members of the Trust:-

- NOTED the action items from previous Meetings of the Trust

3. Executive Director's Report (Agenda Item 4)

The Executive Director's report was taken as read and Ms Carding spoke to it.

Ms Carding highlighted the following matters of interest:

- It was pleasing to note that the Harbour Trust finished the year with a financial surplus and record visitation to its sites (over two million visits).
- Ms Carding reported she had a productive visit to Canberra last month, meeting with colleagues from the Department of Climate Change, Energy, the Environment and Water (DCCEEW), as well as the Director of the Australian War Memorial and the Acting Director of the National Museum of Australia.
- There was discussion about the reported number of staff approaching retirement age. The Members of the Trust requested an updated diagram showing the current staff structure for the next scheduled Meeting of the Trust.

Ms Carding reported that the Harbour Trust is experiencing an intensely busy period.

Yesterday a meeting was held with stakeholders regarding the Middle Head / Gubbuh Gubbuh Revised Draft Master Plan which included a discussion and sharing of information about the timber barracks. This information about the timber barracks will be circulated to the Members of the Trust.

The Members of the Trust:-

- NOTED the Executive Director's Report

4. Cockatoo Island Master Planning (Agenda Item 5)

Mr Mark Tyrrell, Director, Tyrrell Studio joined the meeting in person. Ms Marianna Southwick, Australia Precincts Lead, Mott MacDonald; and Mr Sam Sangster, Managing Director, Klok Advisory joined the meeting via teleconference.

Mr Tyrrell, as the design lead for Cockatoo Island / Wareamah master planning, spoke to a comprehensive presentation to inform the Members of the Trust of the current status of the work in progress.

The presentation included a detailed analysis of Cockatoo Island / Wareamah, including its:

- spatial comparison with other sites and parks on Sydney Harbour;
- context and background within Sydney Harbour in terms of winds, currents and confluence of rivers;
- connection with Country - sandstone and water Country and wind;
- remnant ecology;
- marine ecology;
- microclimate of the island;
- character throughout its historic timeline and its place as part of the Harbour experience;
- importance as a UNESCO heritage listing;
- maritime historic use; and
- sculptural qualities of the island architecture (e.g. the Sutherland and Fitzroy Docks).

Key community feedback on the Concept Vision for Cockatoo Island has been incorporated into the draft master plan, responding to issues such as the character of the island, Country, heritage and activation. Mr Tyrrell spoke of a master plan vision that reimagines a future for Cockatoo Island / Wareamah that:

- acknowledges the traditional ownership of First Nations peoples to the lands and waters of Wareamah;
- establishes, protects and interprets First Nations values of place;
- conserves, interprets, and protects the outstanding universal values of place as stated under the site's UNESCO World Heritage listing;
- rehabilitates the lands, and conserves the built form to retain and enhance the unique character of Cockatoo Island;
- revives the 'working harbour' industrial site, transforming the island to support a range of new, and appropriate uses that connect the island into the fabric of day-to-day Sydney life;
- supports and enhances Sydney's cultural and creative life, providing capability that drives significant and sustainable visitation and tourism; and
- evolves to provide an economically resilient and self-sustaining long-term future for the island as a highly valued nationally significant cultural heritage.

Ms Southwick then gave a presentation which outlined the integrated approach to the master planning for Cockatoo Island / Wareamah. The multi-disciplinary team approach includes project management, procurement, market and technical feasibilities, and costing planning. Mott MacDonald is the project lead, working with landscape architects, urban designers, heritage architects, a First Nations designing with Country team, and other experts including in self-sustainability strategies. Commercial in confidence matters were also discussed.

Following the presentations, the Members of the Trust discussed issues in relation to the draft master plan such as amount of green space; accessibility; transport to and from the island, and the potential for partnerships.

It was agreed that when the Cockatoo Island / Wareamah draft master plan goes on public exhibition, it needs to clearly describe to people what they will experience when they go to the island.

A business case will need to be developed for the Minister. It is anticipated that subject to a successful funding bid, there would be a 2025 start to the works.

The Cockatoo Island / Wareamah draft master plan will be on the agenda for the First Nations Advisory Group when it is reconvened in the coming weeks.

[Mr Tyrrell, Ms Southwick and Mr Sangster left the meeting.]

CONFIDENTIAL DISCUSSION

The Members of the Trust:-

- NOTED the Cockatoo Island Master Planning update

5. Acting Chair's verbal report (Agenda Item 3)

Ms Page noted that the Trust is now half its usual size due to appointment terms having ended for Mr Michael Rose AM; Mr Joseph Carrozzi AM; Ms Carolyn McNally; and Mr Bradley Manera.

The Chair formally thanked these Trust Members and the former Chair for their contributions.

CONFIDENTIAL DISCUSSION

Ms Carding advised that there is a Community Advisory Committee meeting on 30 August 2023. Previously Mr Rose attended these meetings as the Trust's representative and asked if a current Member of the Trust would be available to attend.

It was agreed to suspend the Trust's Finance Sub Committee until the new appointments of Members are made. The Tenant Selection Committee (TSC) will continue with Ms Fornari as the Trust's representative and Chair.

The Members of the Trust:-

- NOTED the Acting Chair's verbal report.

6. Members of the Trust *in camera* session

The Members of the Trust held a brief *in camera* session. There were no Harbour Trust staff in attendance for this session.

7. Financial Budget – 2023-24 (Agenda Item 8)

Ms Bernadette Or, Chief Operating and Financial Officer, joined the meeting and spoke to the report prepared for this agenda item.

Ms Or presented the Harbour Trust's budget for 2023-24, which proposes an underpinning operating deficit of \$1.3m. With three master plans and stage 2 of Sub Base Platypus to be completed in FY24, and the positive result in FY23, this operating budget adopts a "stand still" position, allowing the Harbour Trust to continue investment in people, technology and quality of properties on offer to maximise opportunities for future revenue growth and to work towards a balanced operating budget in subsequent years.

Due to the Government's injection of \$45.2m over FY24 and FY25 to fund a Maintenance & Infrastructure Renewal (M&IR) Program, a review of current resources and processes to optimise value for money, quality of outcome and efficiencies was required. The budget planning also took into consideration the external and internal resourcing needs and capacity building to continue to establish the Harbour Trust as a permanent, ongoing entity. The proposed draft budget represents the combined financial impact of the reviews conducted.

Ms Or's report detailed the following FY24 draft budgets –

- Operating
- Major Projects
- Backlog Program
- Repairs and Maintenance Program
- Master Planning
- Maintenance & Infrastructure Renewal
- Minor Capital Projects

Ms Or advised that the first tranche of the M&IR funding (\$25m) has been received. The elements of the overall Harbour Trust budget that require funding from reserves are the operating deficit before depreciation and the minor capital budget. All other budget components are funded via self-generated revenue or government appropriation.

There was discussion about the Harbour Trust needing to raise an additional \$5m each year mainly to address depreciation and achieve a breakeven position on an ongoing basis, with the main revenue drivers currently being leasing and interest rates.

The Members of the Trust:-

- APPROVED the draft operational budget for FY24
- APPROVED the draft Major Projects budget for FY24;
- APPROVED the draft minor capital budget for FY24 for capital expenditure outside of the funded and approved major capital works and backlog works programs;
- NOTED that the operating deficit (before depreciation) and the minor capital budget are to be funded from existing cash reserves;
- NOTED that there is sufficient free cash at 30 June 2023 to fund the operating deficit and minor capital budget;
- NOTED that all other projects and programs are funded by Government appropriations and equity injections.

8. First Nations Advisory Group update (Agenda Item 9)

Ms Carding spoke to the report prepared for this agenda item.

The Harbour Trust's Aboriginal and Torres Strait Islander Group, established as part of the Harbour Trust's Reconciliation Action Plan, sunsetted in January 2022.

In October 2022 the Members of the Trust approved an overarching Stakeholder Engagement Strategy, which included a proposed First Nations Advisory Group. Ms Page has been working with Ms Carding to progress the governance and plans in preparation for establishing this new advisory group. Gujaga Foundation was approached to review and comment on the initial draft Charter that was included in the Stakeholder Engagement Strategy. The revised draft Charter was included with the report for this agenda item for Trust Members' approval.

Ms Page and Gujaga Foundation have also discussed potential candidates for membership of the First Nations Advisory Group. The proposed members are four traditional owners; a First Nations person with expertise in areas relevant to the Harbour Trust; and a representative from two Local Aboriginal Land Councils (LALC) - La Perouse LALC and the Metropolitan LALC.

The Members of the Trust were provided with information in relation to recognition of traditional ownership of Coastal Sydney; and the biographies, CVs and ancestral information on potential members. It is proposed that Ms Page writes to the proposed members inviting them to join the First Nations Advisory Group.

It has previously been recommended by Cox Inall Ridgway that First Nations people serving on advisory and working groups be remunerated with meeting attendance fees, plus travel expenses.

The Members of the Trust:-

- NOTED the update
- APPROVED the First Nations Advisory Group Charter
- APPROVED the proposed fee for attendance
- ENDORSED the proposed members, so that the Acting Chair of the Trust can invite them to join the Group.

9. Draft Corporate Plan (Agenda Item 10)

Ms Carding spoke to the report prepared for this agenda item.

In accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the Harbour Trust is required to prepare and publish a Corporate Plan annually. The Harbour Trust must provide its Corporate Plan to the Minister for the Environment and Water for noting, as well as to the Finance Minister for information, as soon as practicable after completion and before it is published online (which must occur by 31 August 2023).

This year's draft Corporate Plan was included with the report for this agenda item. The document previews anticipated highlights of the upcoming year and sets out planned strategic activities, as well as performance measures and targets by which to gauge success. The draft Corporate Plan also outlines priority projects for the 2023-24 year with the four major areas of focus for the year being:

- Embarking on the \$45.2m Commonwealth funded infrastructure renewal program;
- Completing master plans for Cockatoo Island / Wareamah; North Head Sanctuary; and Middle Head / Gubbuh Gubbuh
- Completing and opening the Sub Base Platypus Torpedo Factory
- Reducing the Harbour Trust environmental impact.

The Harbour Trust has been working with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the Minister for the Environment and Water to develop a new Statement of Expectations. The approved Statement of Expectations was received shortly before the meeting and shared with the Members of the Trust. It will be included in the Corporate Plan. The Harbour Trust will be required to provide a Statement of Intent in response to the Minister's Statement of Expectations. This will be completed following the appointment of the new Chair of the Trust.

Following discussion, the Members of the Trust suggested a minor amendment to the Executive Director's foreword.

The Members of the Trust:-

- APPROVED the draft Corporate Plan for publication, subject to a minor amendment to the Executive Director's foreword, and noting that the approved Ministerial Statement of Expectations is to be added prior to publication.

[Ms Goward left the meeting]

10. Sydney Harbour Foundation Management Limited - Specific Listing Status Update (Agenda Item 6)

Ms Carding spoke to the report prepared for this agenda item.

Ms Carding provided an update on the Sydney Harbour Foundation Management Ltd (the Foundation), of which the Harbour Trust is the sole member.

The Foundation was set up in 2010 to receive income tax deductible donations for defined purposes. Due to the strict rules and narrow parameters with which the funds are able to be used, it has been proposed that the Harbour Trust apply for 'specific listing' under the *Income Tax Assessment Act 1997 (Cth)*, which if successful, will enable the Harbour Trust to receive donations, and issue tax receipts, more broadly, in a comparable way to major heritage and cultural organisations.

Preliminary legal advice has been sought and it has been suggested that submissions be prepared to request specific listing for both the Harbour Trust and the Foundation. If both entities are successful in obtaining specific listing, they can work with each other to overcome their individual limitations, that is:

- as a whole of organisation DGR, the Harbour Trust would be able to receive tax deductible gifts from many donors (including the general public), but not from charitable trusts, or philanthropists and corporates operating public and private ancillary funds which are required to or have chosen to restrict their giving to charitable DGRs; and
- as a charitable DGR, the Foundation would be able to receive gifts and grants from charitable trusts and from private and public ancillary funds, being a popular vehicle for philanthropy from corporates and high wealth individuals and families.

The preliminary legal advice also recommended that the Foundation –

1. Replaces its constitution with a new constitution which would -
 - Keep the general provisions of the Foundation's existing constitution in place as and where possible;
 - Update the Foundation's purpose and objectives to be independent, however aligned with the Harbour Trust's objectives;
 - Incorporate essential charitable provisions including but not limited to updating winding up provisions;
 - Alter Director's provisions to include board appointed directors;
 - Bring the constitution's provisions in line with current best practice; and
 - Ensure compliance with legal requirements as a company limited by guarantee.
2. Change the name of the Foundation from 'Sydney Harbour Foundation Management Ltd' to 'Sydney Harbour Foundation Ltd' as removing 'Management' from the entity's name will better reflect its altered purpose.

The Members of the Trust:-

- AGREED with the recommendations.
- NOTED the estimate of legal costs to complete the recommended work.

11. Finance & Risk Report (Agenda Item 7)

Ms Bernadette Or, Chief Operating and Financial Officer, was in attendance for this agenda item. The paper prepared for this agenda item was taken as read and Ms Or spoke to it.

The paper reported on the Harbour Trust's full year FY23 financial performance and position (yet to be audited).

Excluding the impact of depreciation, the Harbour Trust reported an operating surplus of \$1.8m. The YTD positive performance was driven by continued strong results in leasing activities, events and accommodation, higher return from investments and savings in labour costs. Total self-generating income was \$1.1m ahead of budget and \$4.9m better than FY22.

Savings in labour cost was reduced to \$182K with most planned positions filled to ensure there is ongoing capacity to meet the demands of Harbour Trust's work programs in all areas.

After preliminary field work and interim audits in April and June, the FY23 Final Financial Audit is due to start in the third week of August. No major issues have been reported by ANAO to date.

The Department of Climate Change, Energy, the Environment and Water's Audit Committee meeting will take place in September and will review the Harbour Trust's FY23 Financial Audit Report, FY23 Draft Audited Financial Statements, performance reporting, systems of Internal Control, and an update on the Internal Audit Program for FY24 & 25. A representative from ANAO will attend the meeting to provide an update.

Following the Audit Committee meeting, a Meeting of Trust will be required to sign off on the Harbour Trust's financial statements and annual report for FY22&23.

The Members of the Trust:-

- NOTED the Finance & Risk Report.

12. WHS Report (Agenda Item 11)

The report for this agenda item was taken as read and Ms Carding spoke to it.

There was discussion about the implementation of 'what3words' at the Harbour Trust and how it works. 'what3Words' technology has divided the world into 3m squares and given each square a unique identifier comprised of three words (e.g. space.fund.shaped). The three words provide an easy way to communicate a precise location to emergency services. Emergency signage at the Harbour Trust is being updated to include information about 'what3words'.

It was noted that despite an increase in visitors across Harbour Trust sites, there has been a decrease in incidents.

The Members of the Trust:-

- NOTED the WHS Report.

13. Major Projects Report (Agenda Item 12)

Mr Graham Izod, Director Assets and Parklands, was in attendance for this agenda item.

The paper prepared for this agenda item was taken as read. The paper provided the Members of the Trust with a progress report on -

- Master planning for Cockatoo Island/Wareamah
- Master planning for North Head Sanctuary
- Progress on Backlog Capital Works
- Progress on 10 Terminal & Parklands
- Progress on Sub Base Platypus Torpedo Factory
- Progress on Repairs & Maintenance Program
- Progress on Maintenance & Infrastructure Renewal Program

Mr Izod gave two presentations to the Members of the Trust at the meeting –

1. 'Dashboard' showing the current status of work in progress for the above projects.
2. Maintenance & Infrastructure Renewal Program – summary of how the \$45.2m Commonwealth funding (over two years) will be allocated, managed and the current status of this work.

Mr Izod reported that his team currently has 96 projects in progress.

The Members of the Trust:-

- NOTED the Major Projects Report and presentations

14. Site Dashboards (Agenda Item 13)

Ms Carding reported that Management has been trialling a new initiative of producing quarterly site dashboards which provide a snapshot for each site under the headings of -

- Visitation
- Events and activations
- Partnerships & Collaborations
- Tenants
- Financial (Revenue/ Expenditure)
- Development Initiatives
- Community and Stakeholder Engagement

The dashboards were circulated with the papers for this meeting. Due to time constraints it was not possible to discuss the dashboards in any detail at this meeting.

The Members of the Trust:-

- NOTED the site dashboards.

15. Trust Members Meeting Planner 2023 (Agenda Item 14)

The meeting planner prepared for this agenda item was taken as read.

The Trust Members' annual strategy session was slated for November (date yet to be determined). It was agreed to wait until the vacant positions on the Trust have been filled before scheduling a date for the session.

As discussed earlier in the meeting, it was agreed to suspend the Trust's Finance Sub Committee until the new appointments of Members are made. The Tenant Selection Committee (TSC) will continue with Ms Fornari as the Trust's representative and Chair.

The Members of the Trust:-

- NOTED the 2023 meeting planner.

Meeting Closed – 1.00pm