



SYDNEY HARBOUR FEDERATION TRUST

133rd MEETING OF THE BOARD OF TRUSTEES

Board Room
Building 28, Best Avenue, Headland Park, Mosman

Meeting in Private

17 September 2019

MINUTES

Abridged Record of the 133rd Meeting of the Board of Trustees
Sydney Harbour Federation Trust
(private and confidential information has been removed where indicated)

Chair

Minutes of the 133rd meeting of the Sydney Harbour Federation Trust held in the Board Room, Building 28 Best Avenue, Headland Park, Mosman at 9.30am on Tuesday 17 September 2019.

Present

Joseph Carrozzi	Chair
Jean Hay AM	Deputy Chair
Garth Callender	Member
Sandra Hook	Member
Tim James	Member
Jessica Keen	Member

In Attendance

Mary Darwell	Executive Director
Stephen Alborough (<i>partial attendance</i>)	Director, Property & Leasing Management
Justin Bock (<i>partial attendance</i>)	Director, Strategy & Operations
Kathryn Roberts (<i>partial attendance</i>)	Director, Marketing & Visitor Experience
Daniel Sealey (<i>partial attendance</i>)	Director, Planning & Environment
Rosemary Southcombe	<i>Secretariat</i>

Apologies

Josephine Cashman	Member
Michael Rose AM	Member

The meeting commenced at 9.35am on Tuesday 17 September 2019.

The Board:-

- RESOLVED to meet in private because of confidential budget matters on the Agenda.

Moved: J. Carrozzi Seconded: J. Hay

1. Welcome

The Chair 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 and the meeting was opened.

2. Introduction (Agenda Item 1)

The Chair:-

- NOTED there was a quorum of Members elected in attendance.
- a) Apologies: Ms Josephine Cashman and newly appointed Member, Mr Michael Rose
- b) Declarations of Interest

The list of Declarations of Interest circulated with the papers for this meeting were:

- NOTED, with the following amendment:

Ms Jean Hay – change of name of committee from *Warringah Australia Remembers Committee* to *Northern Beaches and North Shore Australia Remembers Committee*

Board members to advise if other declarations of interest are required during the meeting.

Ms Cashman's papers for this meeting excludes information in relation to the Biennale of Sydney (Ms Cashman is a board member of Biennale of Sydney).

- c) The following Circular Resolutions were passed since the previous meeting:
- 1) Approval of the minutes of the 132nd Harbour Trust meeting held in private on 22 July 2019
 - 2) Entering into a lease with a value over \$500,000 per annum and to approve the Executive Director executing the lease

The Board:-

- NOTED the approval of the Circular Resolutions

3. Actions Items from Previous Meetings (Agenda Item 2)

The list of action items was taken as read, and Ms Darwell spoke to it.

The Board:-

- NOTED the Action Items

4. Chair's Report (verbal) (Agenda Item 3)

The Chair discussed the upcoming Review of the Harbour Trust.

The Chair will send Board members a self-assessment on the effectiveness of the Board. A session to discuss the outcomes from the self-assessments will be scheduled for the next Board meeting. The Board Charter is currently being reviewed and will be discussed at Agenda Item 9.

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

The report was taken as read, and Ms Darwell spoke to it.

- Mr Michael Rose – was appointed on 11 September 2019. Mr Rose was unable to attend today's meeting due to a commitment made prior to his appointment to the Board.
- Ms Darwell highlighted the significant workload that staff are currently carrying.

[CONFIDENTIAL DISCUSSION]

- There was discussion about the Bondi-Manly walk which will be launched on 8 December 2019. The Harbour Trust is producing co-branded signage for the section of the walk on Harbour Trust land (which is only a small section). The website for the walk has been launched - <https://www.bonditomanly.com/>

The Board:-

- NOTED the Executive Director's Report

6. Annual Report (Agenda Item 6)

The report was taken as read, and Ms Darwell spoke to it.

The draft Annual Report was presented to the Board and discussed. The Annual Report must be submitted to the Minister for the Environment for approval and expected to be tabled prior to 21 October 2019.

The Board:-

- APPROVED the Annual Report, subject to minor Management amendments and the insertion of the approved Financial and Performance Statements.

Moved: G. Callender

Seconded: S. Hook

7. Cockatoo Island Dialogue – update and next steps (Agenda Item 7)

Mr Justin Bock and Ms Kathryn Roberts were in attendance for this item.

Ms Darwell spoke to this item.

The report included a revised vision and direction (*Cockatoo Island Directions*) with the themes of ‘destination’, ‘discovery’ and ‘connection’.

The summary consultation document included with the report for this item was discussed. The document summarises the stakeholder engagements conducted by Two Point Co. and Elton Consulting. It was agreed to publish the document on the Harbour Trust website.

There was discussion regarding immediate actions which could be taken which included dual naming and improved interpretation across the history of the site; a landscaped meeting place; investigation of further accommodation opportunities; and ecological and cultural studies.

The Board discussed the need to refine the next steps through the development of a high level concept paper to set out the directions for further work, and this should be tested with key stakeholders.

It was noted that the Harbour Trust did not have resources to undertake further significant work in relation to business case development.

The Board:

- Welcomed and ENDORSED the release of the Community Engagement consultation report and continuation of the Cockatoo Island Dialogue
- APPROVED the *Cockatoo Island Directions* - “destination, discovery and connection” - and requested Management develop a high level concept paper to take *Cockatoo Island Directions* forward, including highlighting signature initiatives
- NOTED the immediate actions to support the *Cockatoo Island Directions*
- ENDORSED continued engagement with stakeholders, including philanthropic interests
- NOTED the resource constraints on the Harbour Trust and that more detailed work including the development a business case, including revised masterplan will require additional external funding

Moved: J. Carrozzi

Seconded: J. Hay

8. Sub Base Platypus – project update (Agenda Item 8)

Mr Justin Bock, Ms Kathryn Roberts, Ms Libby Bennett and Mr Stephen Alborough were in attendance for this item.

A presentation giving an update on Sub Base Platypus was given to the Board.

Ms Bennett talked to the Project Update – Stage 1B section of the presentation and the Board noted the progress to date.

Ms Roberts talked to the activation section of the presentation. Initial activations on the site will include: pop up café for 6 months; Studio A will have an exhibition commencing 18 October 2019; media call with the Minister for the Environment on 1 November; Sydney Open on 2 November 2019; and the Chair’s Christmas party on 5 December 2019. Sub Base Platypus Community Advisory Committee (CAC) members and Navy personnel will be offered private tours of the site.

There was discussion about the need to renew the membership of the CAC as most members were appointed in April 2016. This will provide the opportunity for a tenant representative to join the join the CAC. The recommended members will be advised to the Harbour Trust Board for consideration at the December 2019 meeting.

Mr Bock spoke to the Stage 2 Design Workshop Update and the process to develop further details on options and costings. The Board noted this work.

The Board noted the discussion at the CAC meeting regarding local amenity, parking and opening hours, and Management's focus on ensuring these issues were managed sensitively. The Board also noted the importance of clear communication with the community including through the CAC and newsletters around the next stage, and the publication of timelines for next steps.

The Board:-

- NOTED the progress in relation to Stage 1B
- NOTED the further work in relation to Stage 2
- AGREED to CAC membership renewal to include inviting tenant representatives to join (recommendations to be considered by the Board at its next meeting)
- AGREED to the publishing of the timeline regarding next steps on Torpedo Factory design, noting the community consultation on the Torpedo Factory design has now closed

Moved: J. Carrozzi

Seconded: J. Hay

[CONFIDENTIAL DISCUSSION]

9. Financial Statements (Agenda Item 5)

Mr Justin Bock and Ms Elyse Jeffress were in attendance for this item.

Mr Geoff Knuckey (PAC Chair) and Mr Rahul Tejani (ANAO) were in attendance for this item via teleconference.

The Financial Statements report was taken as read and Mr Bock spoke to it.

In addition to the Harbour Trust financial statements, the financial statements for the Sydney Harbour Foundation Management Ltd (formerly known as the Sydney Harbour Conservancy Ltd) were presented to the Board. A meeting of the Directors of the Sydney Harbour Foundation Management Ltd was held immediately prior to this Harbour Trust meeting.

The statements were prepared taking into account feedback from the Australian National Audit Office (ANAO) and were reviewed by the Portfolio Audit Committee (PAC) at their meeting on 11 September 2019.

Following on from the PAC meeting, an update was provided to the Board (Agenda Item 5 – Additional Paper) to advise of changes made to the 2018-19 Annual Performance Statements and the 2018-19 Financial Statements (post circulation) and to provide copies of the additional assurance documents requested by PAC (i.e. signed management certifications in relation to the 2018-2019 Annual Performance Statements; draft letter from PAC to the Board in relation to the Annual Performance Statements; and signed certification from the Executive Director in relation to Fraud Control).

The Chair asked Mr Tejani if he considered there were any areas of risk. Mr Tejani advised he had not identified any issues of concern.

The Board:-

- RESOLVED -

In the opinion of the Trustees of the Sydney Harbour Federation Trust (the Harbour Trust):

- (a) there are reasonable grounds to believe that the Harbour Trust will be able to pay its debts as and when they become due and payable;
 - (b) the financial statements tabled were in compliance with the Australian Accounting Standards, as stated in note 1 to the financial statements;
 - (c) the financial statements tabled and notes thereto were in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including compliance with accounting standards and gave a true and fair view of the financial position and performance of the Harbour Trust; and
 - (d) the subsidiary financial statements have been separately audited in accordance with all regulatory obligations, including those of *Corporations Act 2001* and the additional requirements under the PGPA Act.
- APPROVED the Management Representation Letter to the ANAO (signed at the meeting by Ms Darwell and Mr Bock)
 - AUTHORISED a Director to sign the Directors' Representation letter to the ANAO (signed at the meeting by the Chair)
 - AUTHORISED a Director to sign the Directors' Report and Statement by Directors (signed at the meeting by the Chair)
 - NOTED the signed certification from the Executive Director in relation to Fraud Control
 - NOTED the changes made to the 2018-19 Annual Performance Statements and the 2018-19 Financial Statements following feedback from the PAC meeting
 - APPROVED the 2018-19 Annual Performance Statements and the 2018-19 Financial Statements (amended Statements following feedback from the PAC meeting).

Moved: J. Hay

Seconded: T. James

10. Report from PAC (Agenda Item 12)

Mr Justin Bock and Ms Elyse Jeffress were in attendance for this item.

Mr Geoff Knuckey (PAC Chair) and Mr Rahul Tejani (ANAO) were in attendance for this item via teleconference.

Mr Knuckey provided a verbal update on the PAC meeting which took place on 11 September 2019. Ms Darwell was in attendance at the PAC meeting and Mr Callender, Mr Bock and Ms Jeffress had joined the PAC meeting via teleconference for the Harbour Trust section of the meeting.

Mr Knuckey advised that in relation to the Board's query at a previous meeting regarding the risk rating of 'severe' in the Harbour Trust's Strategic Risk Register (in relation to the Harbour Trust being unable to achieve the organisation's vision and mission), PAC's view is that the rating of 'severe' is appropriate. It was agreed that the rating will remain as 'severe' on the Harbour Trust's Strategic Risk Register.

The Chair thanked Mr Knuckey and Mr Tejani for their participation in the meeting. Mr Knuckey and Mr Tejani left the teleconference.

The Board:-

- NOTED the verbal report provided by Mr Knuckey

11. Audit, Risk and WHS (Agenda Item 10)

Mr Justin Bock and Ms Elyse Jeffress were in attendance for this item.

The report was taken as read, and Ms Jeffress spoke to it.

Reports provided to the Portfolio Audit Committee (PAC) for their meeting held on 11 September 2019 were included with this report.

Ms Jeffress advised there had been four notifiable incidents since the previous Board meeting and that a process of reform is underway in relation to fire certification.

The Board:-

- NOTED the information set out in the report and the attached papers provided to PAC.

12.10 Terminal – revised works program and duration (Agenda Item 15)

Mr Justin Bock was in attendance for this item.

The report was taken as read, and Mr Bock spoke to it.

At the Harbour Trust Board meeting in July 2019, an initial plan for 10 Terminal was proposed. Further work has since been undertaken through consultation with key internal stakeholders and the process has been refined to incorporate feedback received and better align process flows. The revised proposed works program was presented in the report. The Board requested management review timeframes in relation to the landscaping/ demolition to see if this work could be undertaken early.

An Expression of Interest (EOI) is required under the Harbour Trust Leasing Policy for buildings that have never been made available for lease by the Harbour Trust, or in circumstances where the Harbour Trust is proposing a use for a building which has not been previously offered to the market.

There was discussion about the importance of clear engagement and communication strategy.

Given the focus of resources on the completion and opening of Sub Base Platypus, recruitment for a 10 Terminal project manager was being progressed as a priority.

The Board:-

- NOTED the report, including revised works program duration

13. Board Charter (Agenda item 9)

Ms Jeffress was in attendance for this item and spoke to the Board Charter report.

As discussed at the July Harbour Trust Board meeting, the Board Charter requires updating (this was also an ANAO recommendation). The current Charter and the revised Charter were presented. The Charter has been substantially amended in the areas listed in the report.

The Board discussed the draft revised Charter, including the provisions in relation to stakeholder engagement, and the importance of clear lines of communications with stakeholders, and Management's role in ensuring community engagement. Ms Keen advised that as a general rule, if a local government councillor is having an informal meeting with a stakeholder(s), the General Manager is to be advised and the councillor reports back after the meeting.

Ms Jeffress was asked to circulate an updated draft of the Charter out of session.

The Board noted that the Charter will be reviewed annually.

The Chair noted that the Charter update is timely given the self-assessment which will be circulated to Board members shortly.

The Board:-

- NOTED the Board Charter report
- AGREED that an updated Board Charter be circulated out of session

Moved: J. Keen

Seconded: J. Carrozzi

14. Closed Circuit TV (Agenda Item 13)

Mr Sealey was in attendance for this item and spoke to the report.

A draft policy has been developed to govern the management of closed circuit television (CCTV) systems on Harbour Trust land and was included with this report. The policy will be subject to the Harbour Trust's planning assessment and approval process. The Planning applications must demonstrate compliance with relevant legislation and guidelines including the *Privacy Act 1988*, *Fair Work Act 2009*, *Work Health and Safety Act 2011*, the Harbour Trust Act, Comprehensive Plan and relevant site Management Plan. This is consistent with the approach taken by the Harbour Trust for CCTV systems that are already in place on Harbour Trust sites - currently installed at Cockatoo Island wharf; Sub Base Platypus; and SIMS at Chowder Bay. Signs are in place to advise people accordingly. This policy will apply to the Harbour Trust and to third parties proposing to install CCTV on Harbour Trust land.

The Board discussed the report.

The Board:-

- APPROVED the CCTV policy

Moved: S. Hook

Seconded: J. Keen

15. Leasing Policy & EOI Documents – update on review (Agenda Item 16)

Ms Jeffress was in attendance for this item.

The report was taken as read, and Ms Jeffress spoke to it.

Board The Australian Government Solicitor (AGS) is undertaking a review of the Leasing Policy and other related documentation (Harbour Trust rental subsidy policy; EOI Standard Terms; Standard Heads of Terms; and associated letters and forms).

A report on the AGS review will be provided at the Board meeting in December 2019.

The Board:-

- NOTED the information set out in the Leasing Policy & EOI Documents report

16. Planning and Approval Process (Agenda Item 17)

Mr Sealey was in attendance for this item and spoke to the report.

The Board discussed the planning assessment process as set out in the Comprehensive Plan and the new worked example of a planning process flowchart. The Board considered the flowchart was a useful representation for community engagement and asked that it also include information about the points at which public engagement takes place.

The Board:-

- NOTED the information about the Harbour Trust's established processes for considering and approving proposed actions, and associated community engagement

- NOTED that clearer information will be provided to the community about the process, and the progress of specific proposals which have been exhibited for community comment
- NOTED commercial proposals are managed under the Harbour Trust Leasing Policy, which is presently under review

17. Community Advisory Report (Agenda Item 18)

The report was taken as read, and Ms Darwell spoke to it.

Since the previous Board meeting, the following community advisory meetings have taken place:

- General CAC meeting was held on 7 August 2019
- Aboriginal & Torres Strait Islander Advisory Group Meeting was held on 27 August 2019
- Sub Base Platypus CAC meeting was held 4 September 2019

Ms Darwell reported that the General CAC expressed their interest in the Harbour Trust Review.

The Board:-

- NOTED the Community Advisory Report

[CONFIDENTIAL DISCUSSION]

19. Workplace Culture (Agenda Item 19)

The report was taken as read, and Ms Darwell spoke to it.

Ms Darwell updated the Board on work completed and in progress to improve organisational culture following the Staff Engagement Survey completed in November 2018. This year's Staff Engagement Survey commenced on 16 September 2019 and will close on 30 September 2019.

Ms Darwell will advise the Board of the outcomes from this year's survey at the December Board meeting.

The Board:-

- NOTED the Workplace Culture report

In camera session was not held.

Meeting closed at 4.20pm