

Harbour Trust

SUBMISSION TO THE INDEPENDENT REVIEW



LETTER FROM THE CHAIR

On behalf of the Members of the Trust, I am pleased to present our submission to the Independent Review of the Sydney Harbour Federation Trust (the Review).

When the Sydney Harbour Federation Trust (Harbour Trust) was established as the custodian of former Defence and Commonwealth lands around Sydney Harbour, there was substantial community concern about their future. Of particular alarm was the prospect that these vitally important sites of national significance could fall into private hands, with access restricted and their unique values, histories and stories lost. Understandably — and appropriately — the expectations placed upon the Harbour Trust were high.

Since that time, the Harbour Trust has made considerable progress across our portfolio of sites. We have developed strong links with the community, with the confidence they continue to place in us enabling the creation of accessible and vibrant places to be enjoyed by not only Sydney-siders, but also by domestic and international visitors.

However, we are now at a point where there are financial and operational headwinds which threaten our ability to both further advance the objects of our legislation and ensure that community expectations are met. The Review provides us with an opportunity to consider these impediments and effect change to ensure arrangements for our places are fit for the future.

Our submission outlines these headwinds, considers various models which may alleviate them, and provides a series of short-term and longer-term recommendations that the Members of the Trust believe would best allow the Harbour Trust to continue its vital work.

With the terrible impact of bushfires across much of Australia, the Members of the Trust understand that the Australian Government's attention and resources are necessarily concentrated on the recovery and rebuilding effort.

The Members of the Trust appreciate the opportunity to make this submission to the Review. We are committed to supporting its successful completion, and to working with the Australian and NSW Governments to implement its recommendations which will safeguard the Harbour Trust's future.

Yours sincerely



Mr Joseph Carrozzi
Chair
Sydney Harbour Federation Trust

SYDNEY HARBOUR FEDERATION TRUST REVIEW SUBMISSION

Sydney Harbour is ‘...one of the great natural beauty spots of our nation... and it is one of those parts of our country which gives immense pride and immense pleasure, not only to the residents of Sydney, but also to all Australians because it wins such wide acclaim around the world.’ **John Howard — Sydney Harbour Federation Trust Comprehensive Plan**

INTRODUCTION

The Harbour Trust was formally established in 2001 to implement a great vision of providing a lasting legacy for the people of Australia through the creation of one of the world’s finest foreshore parks, enriching the cultural life of the city and the nation. The Harbour Trust’s creation was the result of the community and Government coming together to ensure Sydney Harbour’s iconic lands were protected and opened up for public access.

Over the last 20 years the Harbour Trust has delivered on this vision.

The rehabilitation of these special and sensitive lands — and the creation of beautiful and vibrant parkland — is a project that takes care and consideration, and for many years was supported by funding commensurate with the task. Public-private partnerships have been crucial in supporting the renewal of these lands. Public funds have been instrumental in achieving the Harbour Trust’s significant capital works program but a great deal of private investment has supported our work, with rental revenue reinvested back into the Harbour Trust’s heritage and environmental activities.

The Harbour Trust has achieved much in opening scarce public space, restoring our natural and cultural heritage, creating vibrant places and ensuring that the delivery of public benefit and economic vitality are mutually reinforcing principles.

Our work is not yet complete, and significant opportunities still lie ahead with the further renewal of Cockatoo Island (Wareamah) and North Head Sanctuary. Importantly, we have much work to do to welcome all Australians to these places and fully reveal their rich stories: that of First Nations history and continuing connection; early colonial development; the domestic and industrial growth of Sydney and Australia; their role in the defence of Australia; and the growth of our understanding as a nation from early years of European settlement.

However, recent financial headwinds and legislative uncertainty facing the Harbour Trust present significant risk to our ability to achieve and maintain the great shared vision that is at the foundation of our work.

This work has to be done — not only to meet the objectives of our legislation — but because of the significance that these lands hold for the nation.

The way forward

The Harbour Trust has the capabilities to address the current situation however we believe that financial support as well as medium to long-term reform is necessary to enable the Harbour Trust to sustainably deliver on its legislative remit and deliver a lasting national legacy.

In the short-term, the Harbour Trust recommends that the following support be provided:

Recommendation 1: Ongoing operational financial support and expanded resourcing capabilities (increase to Average Staffing Levels) to deal with the shortfall between Harbour Trust revenue and efficient operating costs.

Recommendation 2: One-off funding to address the most pressing backlog maintenance obligations. The funds will be used to deliver necessary overdue asset renewal works, major works to reduce health and safety risks to visitors, volunteers, tenants, and staff across our sites, as well as essential major stabilisation work to address deteriorated heritage assets.

Recommendation 3: Funding to enable the Harbour Trust to develop business cases for Cockatoo Island (Wareamah) and North Head Sanctuary, in cooperation with the NSW Government.

Over the medium to long-term, the Harbour Trust seeks the following:

Recommendation 4: Confirm the Harbour Trust as an ongoing entity and the core components of the Harbour Trust legislation, including public ownership and access to Harbour Trust lands. In addition to this, we seek modest legislative change to enable increased private sector investment, supporting site vibrancy as well as the capacity for the Harbour Trust to operate sustainably.

Recommendation 5: Work with the NSW Government to explore further partnership opportunities based on the strengths of the Harbour Trust model.

A GREAT COMMONWEALTH PROJECT

“We are setting up this trust to rehabilitate that land and to ensure that it is then transferred to be kept for the people of Australia in perpetuity. We are doing this through the establishment of the trust itself, a group that will be committed to the preparation of management plans and identifying the most important aspects in terms of values of the properties and that will take into account community views through site-specific community plans.”

Senator Robert Hill — Sydney Harbour Federation Trust Bill 1999 Second Reading

“To my mind, there is nowhere else in the world quite like Sydney Harbour. It is truly magnificent, and we are privileged to have it in Australia’s largest city.”

Leo McLeay MP — Sydney Harbour Federation Trust Bill 2000 Second Reading

“...An important concern of the Australian Government when it established the Trust was to promote a comprehensive approach to the planning process and to ensure maximum benefit to the people of Sydney and of Australia... Sydney and its harbour are as much the face of Australia as are Uluru, the outback and the Great Barrier Reef. This plan recognises the pivotal relationship between Sydney Harbour and each of the seven sites managed by the Trust. It is the harbour — natural feature, strategic port and colonial lifeline — that determined the location of Trust sites and their uses. The beauty and heritage of Trust sites, the celebration of their proximity to the harbour, have informed the plan’s broad vision. The implementation of the plan during the life of the Trust will follow priorities set in accord with three guiding policies: increased public access; demonstrable benefits in the context of the outcomes proposed for sites; and the realisation of the Trust’s financial objectives. Consultation with the community will continue as a hallmark attribute of the Trust’s approach to implementation, as will the recognition of the harbour’s national significance...”

David Kemp MP — Sydney Harbour Federation Trust Comprehensive Plan

The establishment of the Harbour Trust to rehabilitate Sydney Harbour lands to create an outstanding foreshore park is a great Commonwealth project.

Through the remediation, conservation, activation and diligent management of lands placed in our custodianship, the Harbour Trust has delivered enormous public benefits, from increased parkland, the recognition of First Nations, convict, industrial and military heritage, as well as active cultural programs. The Harbour Trust’s achievements have had a positive impact with the purposeful integration of uses creating accessible, vibrant and attractive destinations for the community and places of work.

The Harbour Trust’s achievements are noteworthy on a world scale. We have won numerous awards for our work and welcomed over 1.8 million visits across our portfolio of sites in 2018-19 through special events, recreational activities, accommodation, cultural partnerships and historical education. In doing so, the Harbour Trust has successfully married the protection of environmental and heritage values with effective place-making. The Harbour Trust has respected, amplified and shared the unique local and nationally significant stories of these sites.

In bringing new life to our sites, the Harbour Trust’s approach has been to deliver a carefully curated mix of uses that are sympathetic to each site’s values, while bringing vibrancy as well as revenue that is reinvested back into the management of the sites.

Over its formative years the Harbour Trust was generously endowed with in excess of \$165 million for the rehabilitation of its lands. Since then, over \$75 million further has been committed to the remediation and renewal of the heavily contaminated Sub Base Platypus, and \$10 million for works at Middle Head. These funds, supported by ongoing revenue generated by the reactivation of the sites, have facilitated the transformation of these places over the past two decades.

The Harbour Trust has been judicious in its prioritisation of tasks but is now reaching a point where we are unable to undertake further restoration works, particularly at Cockatoo Island (Wareamah) and North Head Sanctuary, or to properly maintain restored assets.

We also lack sufficient funds to adequately promote the sites further to the wider community, to develop ambitious programming partnerships, or to provide the depth and range of educational programs and experiences the community wants. Our remit is wide, but our resourcing is thin, with fewer than 63 full-time equivalent staff who must support 10 sites across 145 hectares. Our legislative framework — while largely positive — unnecessarily constrains beneficial investment partnerships.

If left unchecked the public benefits delivered by the Harbour Trust over the years will be eroded — clearly an untenable outcome.

Harbour Trust Volunteers

Volunteers provide invaluable assistance, not only by providing essential services but also through their role as ambassadors for the Harbour Trust. In 2018-19, the over 200 member volunteer team contributed 29,380 hours of assistance across a variety of roles, including as visitor services officers, tour guides, photographers, restoration and maintenance workers, gardeners, researchers, interviewers and transcribers.

Through their collective assistance, the dedication of the volunteer team demonstrates the significance of the shared history and stories of the sites under the Harbour Trust's stewardship — and the importance of ensuring they are preserved.



Photo credit: SailGP, Cockatoo Island.

The Visitor Economy

The Harbour Trust's sites attracted over 1.8 million visits throughout 2018-19, showing how widely valued they are. Events such as Biennale, SailGP and the series of Sunset Sessions demonstrate the appetite for experiences and activities set on Sydney Harbour.

Despite these successes, more can be achieved. The two largest remaining incomplete sites — Cockatoo Island (Wareamah) and North Head Sanctuary — provide perhaps the biggest opportunity to establish places that draw sustained visitation, and enable a richer understanding of our nation to be developed. Both of these sites contain significant aesthetic, natural and historical value.

The growth in Sydney's visitor economy, and the desire for authentic local experiences and deeper connection to First Nations people and culture, means there are enormous opportunities for the Harbour Trust lands.

Destination NSW's *Cultural and Heritage Tourism to NSW – Year Ended December 2018* found that the number of overnight cultural and heritage visitors to NSW (both international and domestic) increased between 2017 and 2018 by 7.9%, with their expenditure increasing over the same period by 8.4%. The average spend per night for a domestic overnight visitor to Sydney was \$271, with the average spend per night for an international visitor of \$117. From this perspective, encouraging longer visitation to Sydney through adding to the existing bundle of sites and activities within the Sydney region — such as a renewed Cockatoo Island (Wareamah) or North Head Sanctuary — could unlock increased economic benefit to both the NSW and Australian economies.

The Presidio of San Francisco provides a prominent example of the potential for the Harbour Trust's sites to form a greater part of Sydney's visitor economy. After significant investment — the Presidio Trust's 2013 *Milestones Report* estimated US\$1.6 billion — The Presidio welcomes 7.5 million visitors each year and is one of the United States' most visited parks.

OPERATIONAL HEADWINDS

Financial Headwinds

The Harbour Trust is an unusual parkland and heritage agency, in so far as it receives no ongoing or operational funding from government. Addressing our financial sustainability is critical for the Harbour Trust's future.

The Harbour Trust has been forced to run an operational deficit for the last two years, and indications are that this is a trend that will continue. At the same time, already meagre cash reserves are steadily diminishing. 70% of the income the Harbour Trust generates goes towards basic maintenance of the assets and keeping areas safely open to the public, whilst less than 10% supports visitor experience, marketing and events to activate the sites. In 2018, a study by Deloitte (commissioned by the Harbour Trust) noted that:

"There is some urgency to the Trust's situation, as Trust management estimates that it will have insufficient funds to continue current levels of maintenance after 2021/22. At this point, sites may need to be closed to the public."

And further:

"Despite the level of operational and delivery competence demonstrated by the Trust, a significant funding gap exists under the current model which needs to be addressed in order for the Trust to deliver on its legislative objectives and to ensure that it can continue as an ongoing concern. There is currently a significant level of capital works still outstanding on the sites in order to fully realise the objectives of the Trust and to fulfil the requirements of the Comprehensive Plan and Management Plans."

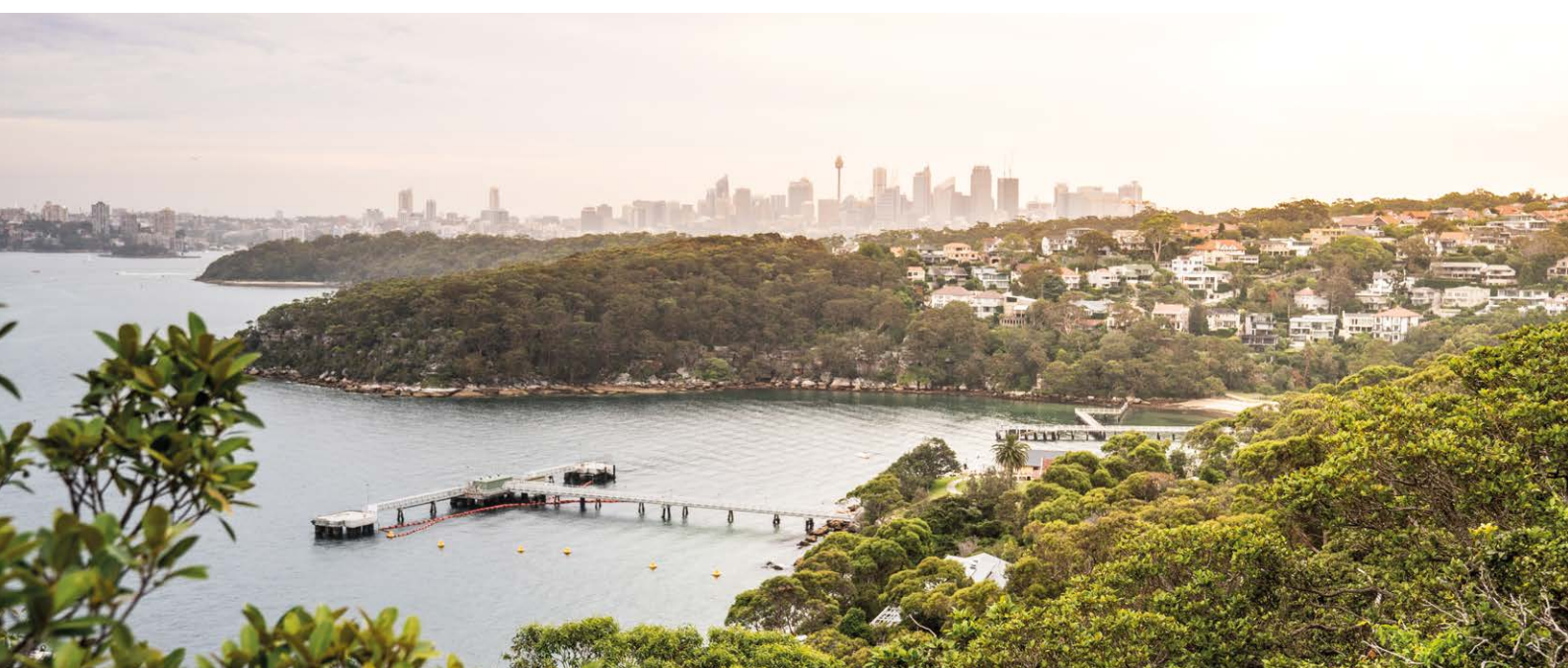
These headwinds will be further amplified in the coming years as depreciation levels rise (due to the commissioning of Sub Base Platypus) and interest income deteriorates from decreasing cash reserves and the lower interest rate environment.

Financial Challenges — Deloitte Business & Strategy Review 2018

In 2018, Deloitte delivered a Business & Strategy Review report to the Harbour Trust to better understand the financial challenges being faced. Deloitte's report drew upon analysis conducted by an independent valuation consultant in 2015 on the replacement values for each of the Harbour Trust's assets, as well as the Harbour Trust's knowledge of the assets.

The report found that significant capital works are still outstanding in order to fully realise the objectives of the Harbour Trust and fulfil the requirements of the Comprehensive Plan and Management Plans — with significant works required at Cockatoo Island (Wareamah) and North Head Sanctuary. The high level indicative cost of the required works is estimated and reviewed by Deloitte to be over \$300 million to create a "warm shell" refurbishment of assets, along with associated infrastructure and landscaping work. This is not a detailed quantity surveyor analysis.

Another finding of the report was that there is a shortfall between the revenue presently able to be achieved by the Harbour Trust and sustainable operating and maintenance costs — as based on a benchmarked level of appropriate costs in line with comparable organisations.



Cockatoo Island (Wareamah) and North Head Sanctuary

While the Harbour Trust has successfully delivered on the objectives of the *Sydney Harbour Federation Act 2001* (the Act) across the majority of our places, significant work remains at Cockatoo Island (Wareamah) and North Head Sanctuary.

These sites represent the greatest opportunity to contribute to both NSW and Australia's growth and identity, however they also present the most challenging, complex and capital intensive programs of restoration and activation work.

Without additional funding, the Harbour Trust will have little ability to deliver on these two sites before the end of the Harbour Trust's legislated life. The Act currently limits all leases to a maximum of 25 years, and prohibits them from extending past the Harbour Trust's legislated end date without approval by Parliament. Longer lease terms would help unlock sympathetic private capital to fund major works by providing the necessary certainty for a commercial return to be realised.

Cockatoo Island (Wareamah):

UNESCO World Heritage listed, and nestled in the western part of the harbour, Cockatoo Island (Wareamah) is directly connected to Sydney City, and a gateway to Parramatta, the geographical centre of our growing city. There are few other places in Australia where you can see the history of the nation unfold — episode-by-episode — in front of your eyes. The Commonwealth — through the Harbour Trust — is best placed to ensure that Cockatoo Island's UNESCO World Heritage listed values are protected and interpreted for the benefit of current and future generations.

Much work remains to be done. Informed by years of engagement — reinforced by our recent dialogue with the community — and building on our planned vision, we are developing a refreshed direction for Cockatoo Island (Wareamah). This vision seeks to better connect the Island with the community by ensuring its rich layered history is properly told, including strengthening connection with First Nations communities, broadening its appeal and ensuring the ongoing protection of its values and character. We envisage that with thoughtful investment and curation the site will become one of Australia's premier destinations for international visitors and all Australians. Further details of the Harbour Trust's dialogue with the community about the future of Cockatoo Island (Wareamah) can be found on the Harbour Trust's website.

North Head Sanctuary, Manly:

North Head Sanctuary also requires further work before the vision for the place will be able to be realised. A place of great wild natural beauty and significance to First Nations people, it was a vital base for Australia's military capability and the protection of our nation in WWII, as well as having a history linking to our colonial development and settlement.

It is important to note that this site has a governance arrangement quite distinct from the Harbour Trust's other sites. Under an agreement with both the Australian and NSW Governments, the Harbour Trust must rehabilitate the site in accordance with its Plans, and transfer the land back to NSW by 1 January 2032. At present, with insufficient funds to restore buildings and the inability to enter into longer term commercial leases, the Harbour Trust will not be able to achieve what it has contracted to do.

Cockatoo Island (Wareamah) and North Head Sanctuary

The 2018 Deloitte Business & Strategy Review report examined — at a preliminary and indicative high level — the approximate capital funding that would be required to complete delivery of the Comprehensive Plan at Harbour Trust sites.

The report estimated that \$194 million of further work is required at Cockatoo Island (Wareamah), split approximately as 55% public domain works (including landscaping, pathways, restoration and interpretation of heritage assets, visitor amenities and public buildings), 38% adaptive reuse of existing buildings (refurbishment of buildings to the level required for fit out by a tenant), 6% infrastructure upgrades (such as site services and containment, including utility networks, sea walls and wharves), and 1% removal of unsafe and contaminated structures.

The estimate for North Head Sanctuary was that an additional \$47 million is required to complete delivery of the Comprehensive Plan. This amount is split approximately as 65% adaptive reuse of existing buildings, 25% public domain works and 10% infrastructure upgrades.

Further work is required to identify the costs of work for each site and to prioritise activity. It is suggested that it is necessary to develop a business case for each site which will identify the key investments required, as well as the social, economic, environmental and heritage benefits of investment and potential funding sources for the work. This process would be undertaken in collaboration with the NSW Government and in consultation with the community.

Maintenance Obligations

Over the last 20 years the Harbour Trust has restored and adapted a portfolio of 165 leased buildings across its sites generating in the order of \$13 million per annum in revenue. This income (plus a further \$4 million — \$5 million per annum from short-term accommodation, events, tours, parking fees, infringements, and interest income) has been judiciously apportioned to deliver against the Harbour Trust's many and varied objectives.

However, as the amount of public space and parkland area has increased and the number of buildings successfully commissioned grows, the associated operations and maintenance costs have grown as well. In addition, much of the service infrastructure (such as water, sewerage and power) at our sites is legacy from pre-Harbour Trust custodianship and is well past its expected service life — a significant risk to site operations as well as the Harbour Trust's finances.

A symptom of the current financial situation is that the Harbour Trust has been forced in recent years to defer programmed maintenance and asset renewal works across its sites and scale back marketing and curation activities, primarily funding works to ensure that safe, secure access is maintained and vital heritage preservation needs are addressed. Another consequence of this is that the Harbour Trust is more reactive in its approach to site restoration, and less able to take a more strategic, directive approach to land management.

The demand on available resources has led to inadequate operational funding and capital reserves being set aside for the growing backlog of works. This underinvestment is now seeing degradation in renewed buildings as well as in legacy infrastructure assets and equipment. Consequently, pressure may emerge over time from tenants for lower rents to reflect any reduction in the quality of the assets and parkland. If the trend continues, the Harbour Trust's financial position will erode further due to rising reactive maintenance and potentially reduced income, putting significant pressure on the delivery of the core objectives in the legislation.

The Harbour Trust is also conscious of the impact of retaining structures that are not being used and have modest heritage value. In our work to date, we have carefully appraised the heritage value of each structure and, where appropriate, removed some buildings where there would be public benefit from their removal (as at Sub Base Platypus for example), and at times repurposed buildings significantly (for example the Sergeant's Mess at Chowder Bay). We have also identified opportunities for new buildings or additions on our sites, including at Cockatoo Island (Wareamah).

A detailed independent analysis of the precise cost of completing the current and emerging maintenance and asset renewal work has never been conducted. It is important that the full scale and nature of this work is understood to appropriately inform future asset management, funding and operational requirements. The Harbour Trust is ready to work with the Review team to deliver (with external expertise) the estimates for this maintenance and asset renewal work. A more thorough understanding will enable both the Harbour Trust and Reviewers to identify a priority projects list.

Markham Close Funds

The Harbour Trust has \$23 million in funds on its balance sheet from the sale of land at Markham Close. However, these funds are presently unable to be accessed by the Harbour Trust.

The Harbour Trust considers that being able to draw down on these funds over a sustained period would provide some relief to the current funding shortfalls being experienced.



Cockatoo Island (Wareamah) Cranes

A total of 17 historic cranes remain on Cockatoo Island (Wareamah). They are an important and visible legacy of the island's rich maritime history. Where restored to a safe condition, they serve as valuable educational tools and a tangible reminder of the character of the island during its industrial zenith. They also contribute to the unique landscape that is Cockatoo Island (Wareamah).

Many of the smaller cranes have been restored by our volunteers. However, there are seven large cranes that remain unrestored, having undergone essential safety works only.

Estimates range from \$3 million — \$5 million for their restoration.

Cockatoo Island (Wareamah) Wharves and Sea Walls

Cockatoo Island (Wareamah) contains multiple sea walls and wharves. Sea erosion has damaged much of these assets, meaning that some are at an end of life stage unless they are repaired. Without the requisite repair works being completed, the Harbour Trust will need to cordon off the affected areas, resulting in loss of access to the main public waterfront frontage.



Photo credit: Mark Merton (photographer), North Head Sanctuary.



ALTERNATIVE OPERATING MODELS

In considering a recommended position for the future, the Harbour Trust has investigated a range of possible scenarios for delivery. Through these scenarios we have attempted to examine some prevailing notions, including (at one end of the spectrum) expanding the current remit of the Harbour Trust to evolve from a transitional authority to an ongoing one, or (at the other end of the spectrum) shifting the Harbour Trust's responsibilities and assets more rapidly to the NSW Government.

An overview of each scenario can be seen below, and a summary of the Harbour Trust's consideration of these scenarios is provided in Appendix A.

Alternate Operating Model Scenarios

1 No change	No changes to legislation or additional funding made available
2 Legislative Reform and Modest Commonwealth Funding	Ongoing role beyond 2033 Ability to execute leases longer than 25 years in select circumstances Ongoing funding through self-generated revenue, modest Commonwealth funding and private funding from commercial and philanthropic sources
3 Substantial New Commonwealth Funding	Harbour Trust's full funding requirement through self-generated revenue and substantial government funding
4 Accelerated Transition of Completed Sites	Completed sites are transferred to the NSW Government Remaining sites progressively transferred on completion Harbour Trust could act as a remediation authority adaptively reusing future Commonwealth land unsuitable for commercial development or market disposal
5 Activities Subsumed into Other Agency	Harbour Trust is merged into an agency such as Property NSW or NSW National Parks and Wildlife Service People and assets are transitioned, however current governance and legislation would cease

We understand the Review is undertaking separate modelling on a range of different future operating models for the Harbour Trust, which may include some of the above scenarios, and we look forward to seeing the results of that work.

Pragmatically, the Harbour Trust finds that Scenario 2 offers the best way forward to deliver the objectives of the legislation whilst at the same time reducing the cost burden to the Commonwealth.

Scenario 2 strikes the right balance between enabling the Harbour Trust to protect, conserve and interpret the environmental and heritage value of our land with place-making, adaptive reuse and activation of buildings. Through this role, the social heritage of our sites are preserved and brought to life, reinforcing our obligation to our community to consult and engage.

This pathway delivers a balanced mix of uses for our sites, to create vibrancy as well as the financial capacity to operate sustainably.

With some modest reform the Harbour Trust model can be enhanced to enable us to refresh our plans and priorities in consultation with the community and attract investment — without over-commercialisation — to support the financial sustainability of the sites for which we are responsible.

These reforms are explored as follows.

AN ENABLED HARBOUR TRUST

Ongoing Role (Beyond 2033)

The Harbour Trust's governance model is successful and widely supported.

In 2007 the Harbour Trust had its life extended from 2011 to 2033, recognising that there was significantly more work to do. With the extended timeframe the Harbour Trust has evolved and grown — out of necessity — its expertise and capability to the ongoing curation and maintenance of sites. The custodial role is more than keeping the lights on and the grass mown, with the Harbour Trust's ambition to create dynamic destinations. Through the restoration work, ongoing activation and integration to Sydney life, the Harbour Trust's sites are now an important part of Sydney's Green Grid, and spaces for arts and culture, places for community and international events where contemporary Australians are creating their own memories, stories and narratives.

Underlying our activities for the last 20 years has been a social contract with the community that the Harbour Trust has worked actively to honour. Working with the community's support has enabled the Harbour Trust to successfully progress complex renewal projects like Headland Park and Sub Base Platypus, delivering sustained social value to surrounding communities and the nation.

The Harbour Trust's clearly stated legislative objects, compelling vision, sound governance arrangements (with the Members of the Trust reflecting community interests and providing strategic leadership to its work), clear community engagement arrangements and solid management structure have enabled the Harbour Trust over its 20 years to proceed with clarity of purpose and efficiency. These features have provided the foundation for success and should therefore be affirmed and protected.

The Act is scheduled to be repealed in 2033. Amending this repeal date, and providing the Harbour Trust with ongoing status will provide more certainty for the future. An ongoing custodial role for the Harbour Trust will enable our work to continue with consistency and purpose, providing more certainty to form partnerships with private investment as well as develop a mature philanthropic program.

Planning Powers Retained

One of the foundational features of the Harbour Trust's Act is its planning powers. They have been critical in enabling a focussed, holistic approach to planning for the lands under the Harbour Trust's care. The Harbour Trust's planning processes include strong community engagement and have delivered the carefully balanced outcomes that have been achieved to date. Retaining our present planning powers will be fundamental in ensuring coordinated outcomes on our sites, and to avoid inappropriate development.

Community Engagement

Engagement with the community underpins our work. The sites in our custodianship belong to the people of Australia. It is therefore crucial that we consult with the community about the management of our sites to ensure that their values are safeguarded.

To this end, the Harbour Trust has established a number of ongoing community engagement and consultation mechanisms, such as our General Community Advisory Committee (CAC), Sub Base Platypus CAC, and the Aboriginal and Torres Strait Islander Advisory Group. These bodies meet with the Harbour Trust on a regular basis to engage with us and inform the way we approach our work, with seven General and Platypus CAC meetings and two Aboriginal and Torres Strait Islander Advisory Group meetings held in 2018-19.

We also engage extensively with the public on a range of planning and strategic matters. For example, in 2018-19, the Harbour Trust invited public comment on a Recreation Strategy for our sites. The Harbour Trust has also begun a variety of consultation activities with key stakeholders to spark dialogue over the future of Cockatoo Island (Wareamah), with the outcomes report published on the Harbour Trust's website. Other specific community consultations were conducted throughout 2018-19, including for Sub Base Platypus Stage 2, as well as for the Drill Hall at Mosman.



Harbour Trust Plans

Following extensive consultation with the community and stakeholders, the Harbour Trust's Comprehensive Plan was approved in 2003, in accordance with the Act. The Comprehensive Plan articulates the values and vision for Harbour Trust sites, sets out objectives and policies, and establishes a planning framework for the implementation of outcomes.

The Comprehensive Plan serves as an overarching plan that is complemented by a suite of more detailed Management Plans. The Management Plans— addressing the requirements of the Comprehensive Plan and the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) — prescribe desired outcomes for specific sites, including suitable uses and how each site's heritage values are proposed to be interpreted.

The EPBC Act requires Management Plans be reviewed at least once every five years.

Longer Term Private / Public Partnerships

Enhancing the Harbour Trust's ability to enter into appropriate commercial partnerships — consistent with the objectives of the Act, our values and plans — is important in driving the long-term sustainability of our sites. At present the capacity of the Harbour Trust to develop such partnerships is constrained by both our legislated end date and restrictions on lease terms.

Together with the removal of the end date for the Harbour Trust, we suggest a further amendment to the Act to allow the Harbour Trust to enter into longer term leases or joint venture arrangements, before a legislative instrument is required. This will empower the Harbour Trust to provide a greater level of certainty and attract a higher level of private participation and investment. Leases of up to 49 years — in limited circumstances and subject to Ministerial approval — would provide viable partnering opportunities which would enable preservation of heritage buildings and delivery of community benefit to the sites.

Longer investment horizons will provide the opportunity for the Harbour Trust to broker the right relationships with the private sector. We already have a number of good relationships with organisations who hold leases (or lease terms with options) of up to 25 years; additional flexibility as to term will enable the levels of private investment necessary for the restoration and adaptive reuse of heritage buildings, and accompanying contribution by new uses to the vibrancy of our parklands.

Our preliminary modelling shows that this reform will bolster our sustainability while delivering broadly for the community — economically, socially, and environmentally. We look forward to the further detailed work from the Review team on this matter.

In all circumstances, private participation and investment should support the objectives of the Act and Comprehensive Plan, and not compromise public access and ownership. The Harbour Trust does not support the lease of whole sites to third parties, nor long term leases beyond 49 years.

The Harbour Trust will need to develop tools and frameworks to ensure that any partnership or joint venture aligns to the values of the Harbour Trust, maintains the integrity of our sites and remains in the broader public interest. Consistency of decision-making over Harbour Trust lands is important. Ensuring the involvement of third parties on the land is focussed on reinforcing the vision for the lands must be maintained. Commercial powers and processes to deal with proposals including unsolicited bids must be clear and strong.

Building 1, North Head Sanctuary

Building 1 is the largest building in the Parade Ground Precinct at North Head Sanctuary, a collection of Art Deco buildings arranged around an impressive parade ground built in the late 1930s. Many of these buildings were built as part of the original North Head Artillery Barracks, and were used by School of Artillery from the mid 1940s. The North Head Artillery Barracks are recognised as having significant Commonwealth heritage values, illustrating the implementation of Defence policy in the inter-war years before the onset of WWII in 1939.

Estimates to repair the building fabric, remove asbestos and other hazardous materials, and create a warm shell for further investment by a future occupier are greater than \$20 million given the sheer scale of the building. It is expected that a significant portion of this \$20 million cost could be borne by the lessee if the Harbour Trust was able to provide a lease longer than 25 years.



Philanthropy

While the Harbour Trust can currently accept philanthropic donations, our transitional nature — and need to direct limited revenue to basic operations — makes it difficult to invest in the basic work required to establish a meaningful long-term philanthropic program to benefit our sites. We know that the rich cultural and heritage values of the Harbour Trust's sites and great community interest in our places provide an opportunity for substantial educational and public programs. In addition, an emerging and maturing arts program on sites, such as Cockatoo Island (Wareamah), could be supported through a philanthropic program.

As a part of this review we are seeking reform that would assist in developing a meaningful philanthropy program that could attract significant contributions towards the Harbour Trust's activities. Long-term custodianship would provide certainty for donors and would support a philanthropy program. This would enable the Harbour Trust to operate programs similar to the Australian War Memorial and Australian National Gallery, which augment their financial position for major projects and initiatives through such contributions.

Welcoming Everyone: Amplifying the Stories of the Sites

The ambition of the Harbour Trust is to amplify the stories of our sites.

Presently the Harbour Trust invests very modestly in curation and programming, and largely seeks to bring to life the stories of place through partnerships. Financial constraints prevent us from developing deep and extended education or public programs, or from supporting ambitious partnerships with educational bodies, public institutions or festivals. Long term partnerships will enable our sites to be welcoming and interesting places, and we know there is significant interest in achieving this. Our marketing and digital platforms, while much improved over recent years, remain modest and their reach limited. A potential area of growth would be to harness the energy of the newly launched Bondi to Manly Walk, which passes through many of our sites.

Physical access to our sites is also critical. Although Cockatoo Island (Wareamah) is more accessible to the public than ever before, there are still barriers to access and — more generally — connecting our sites with each other, via ferry, will enable their rich stories and links to be understood. Opportunities abound for relationships to be built with tourism bodies and operators to further this potential.

Curation and Programming

Every two years, the Biennale of Sydney — an internationally renowned contemporary arts exhibition — is welcomed to Cockatoo Island (Wareamah), with no direct revenue generated. The Biennale has formed a long-standing cultural partnership with the Harbour Trust, with the last exhibition in 2018 drawing more than 160,000 local and international visitors to Cockatoo Island (Wareamah) over a three month period.

Whilst undoubtedly successful in driving visitation and creating vibrancy on Cockatoo Island (Wareamah), the delivery of the Biennale stretches the current resourcing capabilities of the Harbour Trust. We would like to be able to produce expanded site programming and event curation to further promote our sites, however current financial and organisational capacity constraints preclude the Harbour Trust from being able to pursue this path.



Photo credit: *Law of the Journey*, Ai Wei Wei, 2017, reinforced PVC with aluminium frame, featured at the 21st Biennale of Sydney, Cockatoo Island.

Business Support

As a small organisation with limited resources, the Harbour Trust presently relies on internal systems and processes that are not efficient for the work being undertaken. At the Harbour Trust's inception — and up until the extension of its end date in 2007 — the organisation was considered to be primarily a transitional vehicle by which sites would be remediated and rehabilitated, before being transferred to other bodies for their ongoing management. Consequently, the systems and processes originally put in to place were tailored for specific and transitory purposes.

However, with the extension to the Harbour Trust's end date came a new understanding that the organisation would be required to act as both a rehabilitating authority as well as the ongoing operator of the portfolio. Whereas previously there was minimal contemplation for matters such as site curation and programming, the newfound role as the ongoing operator necessitated a broadening of the Harbour Trust's focus and an increase in the variety of tasks to be undertaken.

While the Harbour Trust has found a way to successfully operate in this dual-role, we believe there is opportunity to further strengthen systems and processes that are in place. The provision of operational support funding would allow the Harbour Trust to supplement and develop these systems and processes to make best use of the resources at our disposal. There is also potential to collaborate with the Department of Agriculture, Water and the Environment to investigate potential joint system solutions, such as in the area of Work Health and Safety (WHS).

Looking Forward — Sydney Harbour

The Committee for Sydney released their **Sydney Harbour: Our Greatest Asset** report in August 2019. The report pointed to the impact of the fragmented approach to the management of Sydney Harbour lands and waters. At present no single government body has clear responsibility for managing diverse interests or for achieving coordinated delivery and streamlined decision making for Sydney Harbour.

The report called for place-based leadership centred on Sydney Harbour, underpinned by the fundamental principles of longevity, live-ability, environmental custodianship, and public interest.

The Harbour Trust's vision and values are resonant with this direction and we look forward to working with the NSW Government on progressing this broader vision for the Harbour. In particular we believe that the Harbour Trust's legislation, governance and skillset provides a model for considering opportunities for improved integrated management of Harbour parkland.

The entrance to Sydney Harbour is a place of enormous beauty and grandeur, which has deep historical significance for Sydney and the nation at large. The reservation of the four great headlands – North, South, Middle and Dobroyd — for defence and quarantine purposes has serendipitously resulted in the preservation of their natural, cultural and scenic values, and their modern day evolution into public parkland.

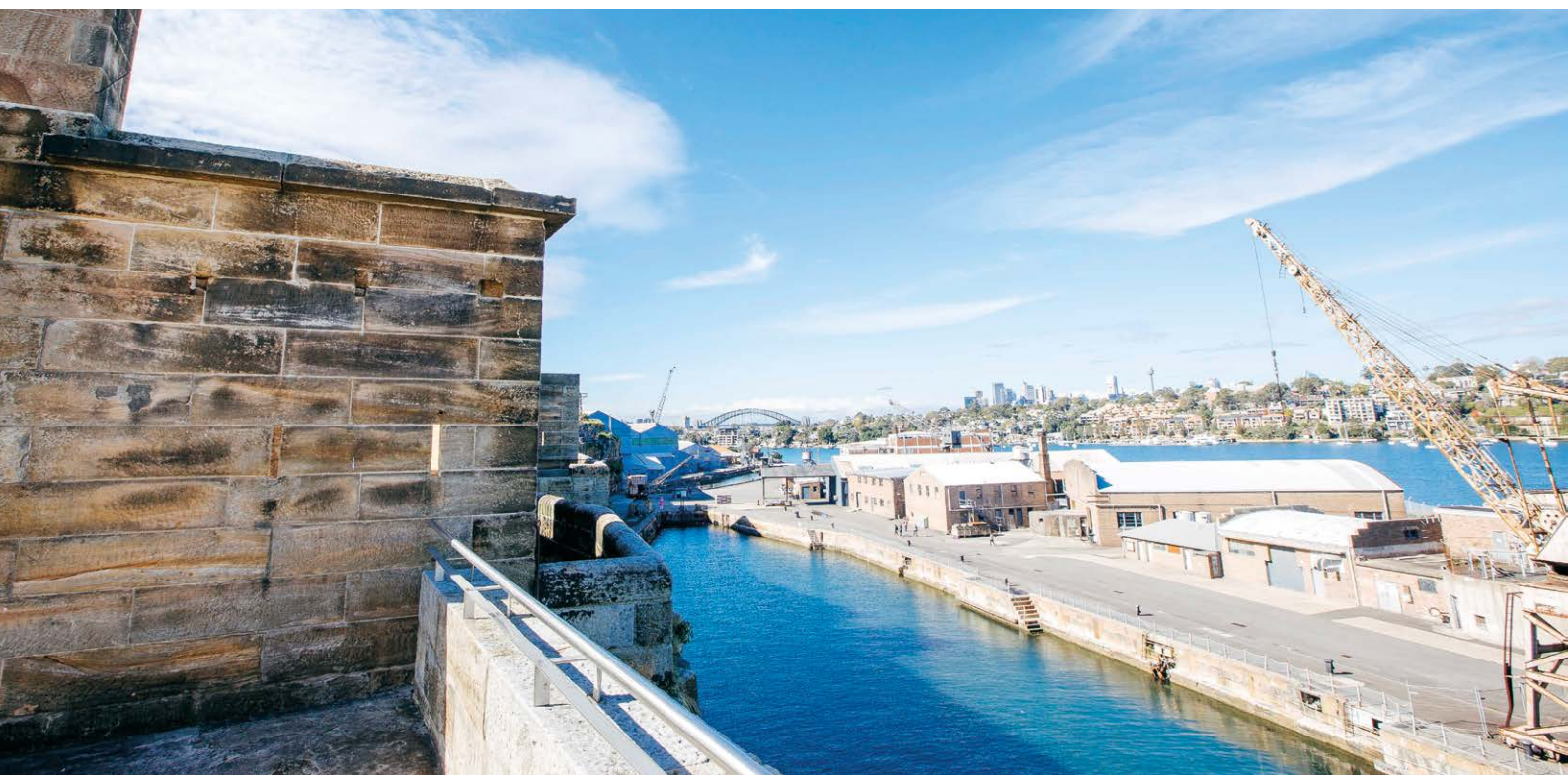
It was through these heads that the First Fleet sailed, doubtless watched from the bluffs and foreshores by First Nations people. Ships sailed to distant wars, and returned veterans were hospitalised at Georges Heights, where Anzac Day commemorations take place as the sun rises over the sea.

It is extraordinary for such a large and defining expanse of land in a major city, and a place of such significance, to have remained unspoiled and kept in public hands — managed respectively by the Harbour Trust and the NSW National Parks and Wildlife Service (NPWS).

Through this review process, the Harbour Trust seeks to refresh its relationship with the NSW Government, which can be strengthened in a variety of ways, including through deeper engagement on the future for Cockatoo Island (Wareamah) and North Head Sanctuary.

With a confirmed and resourced Harbour Trust there is an opportunity to capitalise on the expertise, and project-based energy of the Harbour Trust to collaborate closely with the NSW Government to unify the harbour headlands, to create a coherent place that builds on its values, to tell its stories, and to preserve it as a unique and significant place for future generations of Australians.

Similarly, other complex and significant publicly-owned sites on the harbour could potentially be supported by the Harbour Trust's model for renewal. North Head Sanctuary offers a model where land can be temporarily transferred to the Harbour Trust for restoration, with the requisite funding, before being returned to the NSW Government in good order.



RECOMMENDATIONS

The Harbour Trust's structure, transparent governance and clear accountability coupled with a clear vision and strong stewardship have provided the foundation for success, which we believe should be entrenched for the long term.

Short Term

Despite the level of operational and delivery competence demonstrated by the Harbour Trust, we are facing significant financial headwinds. We require support from Government to address the funding gap and achieve a financially sustainable pathway forward. The Harbour Trust recommends that the following support be made available in the short-term:

Recommendation 1:

Ongoing operational financial support and expanded resourcing capabilities (increase to Average Staffing Levels) to deal with the shortfall between Harbour Trust revenue and efficient operating costs.

Through this investment and expanded resourcing the Harbour Trust will be able to:

- Provide more appropriate ongoing investment in safety and other maintenance works, as well as operational obligations across our sites;
- Undertake an asset audit of the full extent and priority of capital works and maintenance across our sites;
- Further develop and update our asset management plans;
- Invest in appropriate business systems, including in relation to WHS management;
- Develop a philanthropy program;
- Ensure the regular and timely reviews of Harbour Trust plans; and
- Improve community engagement, programming, marketing and partnership activity.

Recommendation 2:

One-off funding to address the most pressing backlog maintenance obligations. The funds will be used to deliver necessary overdue asset renewal works, major works to reduce health and safety risks to visitors, volunteers, tenants, and staff across our sites, as well as essential major stabilisation work to address deteriorated heritage assets.

Recommendation 3:

Funding to enable the Harbour Trust to develop business cases for Cockatoo Island (Wareamah) and North Head Sanctuary, in cooperation with the NSW Government. These business cases will articulate the benefits of different levels of intervention, assess opportunities for private funding, outline a staged delivery strategy, and — subject to the outcomes of each business case — investment and agree in principle a pathway for new capital investment.

Medium-Long Term

Our goal over the medium to long-term is to be financially sustainable. In order for this to be realised — and to ensure the long-term, sustainable protection of the sites' values — the Harbour Trust requires modest legislative reforms. Reform will enable more diverse, longer term partnerships and funding approaches to be pursued for our sites — particularly at Cockatoo Island (Wareamah) and North Head Sanctuary.

To enable this, the Harbour Trust recommends:

Recommendation 4:

Confirm the Harbour Trust as an ongoing entity and the core components of the Harbour Trust legislation, including public ownership and access to Harbour Trust lands. In addition to this, we seek modest legislative change to enable increased private sector investment, supporting site vibrancy as well as the capacity for the Harbour Trust to operate sustainably.

The Act is an excellent piece of legislation that has delivered great outcomes. The Act was made in 2001, and since that time the Harbour Trust, and the sites we manage, have evolved. To address this — and to enable us moving forward — we propose some modest changes to the Act, and also, where relevant, restate our desire for 'business as usual'.

The relevant matters addressed in the Act are as follows:

- Ensuring the lands will remain in **public ownership. It is essential that this protection remains in place.**
- The Act is to be **repealed** as soon as practicable after the end of 19 September 2033. This timeframe constrains the Harbour Trust's ability to achieve its objectives, and **we seek to have the Act amended to allow the Harbour Trust to operate on an ongoing basis.**
- The Act requires that any **lease which extends beyond the repeal date** of 19 September 2033 is subject to Ministerial approval. **We seek to only require Ministerial approval for leases which are greater than 25 years.**
- The proposed terms of any **lease or licence over 25 years** length must be determined in writing, and this must be the subject of a disallowable instrument. In effect, this means that any such lease must be considered by Parliament, as a legislative instrument. **We seek to have this amended to allow for longer-term leases, up to 49 years, subject to Ministerial approval without requiring a disallowable instrument.**
- The Harbour Trust is exempted from certain NSW State laws, including laws relating to town planning and the use of land. The Act also requires the Harbour Trust to prepare plans for its lands, and enables the Harbour Trust to approve actions on its lands. **It is important that these exemptions remain in place.**
- The Act requires that any contract which is greater than \$1 million in value is subject to Ministerial approval. **We seek to have this increased to a more appropriate threshold.**

Retaining and changing these respective provisions will significantly benefit the management of the sites. This will provide for the continued protection of environmental and heritage values and ongoing public access, and provide an important reassurance to the community. It will also facilitate a focussed planning approach, as well as providing certainty about future governance helping to support potential public-private partnerships and the development of a mature philanthropic program.

Recommendation 5:

Work with the NSW Government to explore the further partnership opportunities based on the strengths of the Harbour Trust model.

Further Information

This submission has focussed on the key issues raised through the Review process.

For more information about the Harbour Trust generally see: www.harbourtrust.gov.au

For information about our Comprehensive and Management Plans see:
www.harbourtrust.gov.au/en/corporate/planning/

For the 2018/19 Harbour Trust Annual Report see:
www.harbourtrust.gov.au/media/2363/ht_annual-report_2018-2019.pdf

- o Information on Visitors to Harbour Trust sites can be found on page 41 of the Annual Report

A summary of the work of the Harbour Trust from 2001 to 2011 can be found in Shaping the Harbour, located at:
www.harbourtrust.gov.au/en/our-story/

The recent Australian National Audit Office Report on the Harbour Trust can be found at:
www.anao.gov.au/work/performance-audit/effectiveness-board-governance-the-sydney-harbour-federation-trust

APPENDIX A — HARBOUR TRUST SCENARIO ANALYSIS

Scenario 1 — No Change

- No changes to legislation and no additional funding made available.

Implications:

- The Harbour Trust is unable to fund the capital works required to deliver the outcomes of the Comprehensive Plan.
- The existing revenue base is unable to adequately cover required operational expenditure, including maintenance works.
- Over time, inadequate maintenance expenditure will lead to asset decay. This may risk some areas being closed to the public, as well as declines in achieved rental revenues.

STRENGTHS

- The Harbour Trust's portfolio is kept together, retaining the revenue generating assets to partly fund the Harbour Trust.
- The integrity of the local and Australian narrative that sits across the Harbour Trust's portfolio remains united.

WEAKNESSES

- The current portfolio has not yet achieved a "tipping point" where the Harbour Trust is fully self-sufficient in funding its operations, and is likely to continue running budget deficits.
- The most challenging sites remain — Cockatoo Island (Wareamah) and North Head Sanctuary.
- Comprehensive Plan will not be fully realised prior to 2033.
- Harbour Trust positioned as a "reactive" rather than a "proactive" agency.
- Limited opportunities to attract significant capital investment from the private sector.
- With no change to the 2033 end date, the philanthropy program will be modest attracting only small and ad hoc donations.

OPPORTUNITIES

- The Harbour Trust is very focused on extracting the most value from every dollar.

THREATS

- Increasing pressures on the Harbour Trust's budget, combined with the gradual decline in revenue, will force the Harbour Trust to prioritise keeping revenue generating assets maintained. This puts yet to be remediated assets at risk of further decay, potentially forcing the closure of some areas to the public. Some sites and/or buildings will need to be moth-balled to avoid public health and safety issues.
- The increasing capital maintenance spending could result in the winding back of interpretation and activation activities impacting curation and visitor experience.
- Reduced public access and activation of sites impacts the footfall for tenants. This may force tenants to close or relocate, impacting the Harbour Trust's revenue.
- Loss of community and visitor confidence and trust as the Harbour Trust fails to deliver on 'the promise and commitment' to the sites and lands.

Scenario 2 — Legislative Reform and Modest Commonwealth Funding

- Modest amendment to the legislation including removing the 2033 end date, and providing ability to execute leases longer than 25 years in some scenarios.
- Ongoing funding through self-generated revenue, as well as modest Commonwealth funding and private funding from commercial and philanthropic sources.

Implications:

- The Harbour Trust becomes the ongoing custodian of the portfolio, safeguarding their unique values.
- Increased and varied opportunities to obtain the necessary capital funding to complete the Comprehensive Plan — reducing the impost on government resources.
- Rehabilitated and adaptively reused assets increase the Harbour Trust's revenue base over time, reducing the need for ongoing long-term government funding assistance.

STRENGTHS

- The Harbour Trust's portfolio is kept together, ensuring the integrity of the local and Australian narrative that sits across the sites remains united.
- Alternate pathways to obtaining the capital funding required enables the 'job to be finished' as per the Comprehensive Plan.
- Retention of the Harbour Trust's planning powers provides greater certainty to the public that the portfolio will be safeguarded in to the future.
- Removal of end date increases partnering opportunities.
- A more diverse source of revenue and funding reduces the long-term level of government funding assistance.

WEAKNESSES

- Matured tools and frameworks for partnerships.
- Funding and Departmental support is required to get the key plans and programs in place while we realise the benefits of increased private and philanthropic participation.

OPPORTUNITIES

- Attracting private participation leads to innovation in the adaptive reuse of assets.
- Private participation could serve as a catalyst to bring to life precincts and create new and vibrant places (e.g. Cockatoo Island / Wareamah).
- The net lettable area increases from rehabilitation of incomplete assets may lead to potentially higher revenues being achieved by the Harbour Trust.
- A robust philanthropy program is established curating significant philanthropic donations and participation.
- The goal to derive increasing revenue from non-government sources to more sustainably support the Harbour Trust's work.
- Community engagement on the nature and scope of any legislative reform is essential.

THREATS

- Without strong governance and adequate resources to support that governance, the Harbour Trust's program could be influenced by commercial and personal interests.

Scenario 3 — Substantial New Commonwealth Funding

- The Harbour Trust’s full funding requirement through self-generated revenue and substantial Commonwealth funding.

Implications:

- The additional capital funding from government allows the outcomes of the Comprehensive Plan to be achieved.
- There is a reliance on government to fund ongoing operations in the short to medium term, to ensure that appropriate levels of maintenance and expanded activation occurs.
- Increased revenues from the adaptive reuse of assets may reduce government operational funding requirements in the longer term.

STRENGTHS

- The Harbour Trust’s portfolio is kept together, retaining the revenue generating assets to partly fund the Harbour Trust.
- The integrity of the local and Australian narrative that sits across the Harbour Trust’s portfolio remains united.
- Provision of the capital funding required enables the ‘job to be finished’ as per the Comprehensive Plan.

WEAKNESSES

- With no change to the 2033 end date:
 - There are limited opportunities to attract significant external capital investment in the Harbour Trust’s sites -requiring a higher contribution from government.
 - The philanthropy program will be modest attracting only small, ad hoc donations.
- With no long-term participation from the private sector or philanthropy the government may need to provide ongoing annual funding to support the Harbour Trust’s work.

OPPORTUNITIES

- The net lettable area increases enabled through the receipt of capital funding to rehabilitate incomplete assets may lead to potentially higher revenues being achieved by the Harbour Trust.
- These additional revenues may be sufficient to close the present operational funding gap, offsetting the costs of maintenance and site activation.

THREATS

- The call on government resources is extensive, with evolving priorities making long-term funding commitments difficult.
- Excessive reliance on government funding exposes the Harbour Trust to external pressures, driving trade offs that could risk the integrity of the Harbour Trust’s sites and programs in the future.
- Truncated timeline to complete works will create significant disruption to sites, interrupting the public benefit in the short-medium term.

Scenario 4 — Accelerated Transition of Completed Sites

- Completed sites are transferred to the NSW Government.
- Remaining sites are progressively transferred on completion.
- The Harbour Trust could act as a remediation authority adaptively reusing future Commonwealth land unsuitable for commercial development or commercial disposal.

Implications:

- The Harbour Trust becomes an intermediary between sites requiring rehabilitation and the ultimate receiving agency.
- Significant ongoing capital and operational funding is required from government to complete sites, as all revenue generating assets would be transferred out of the Harbour Trust's portfolio.
- There is a risk that the social history and stories of the current portfolio is lost.

STRENGTHS

- The Harbour Trust's skills, expertise and resources are dedicated to the complex task of remediation and potential adaptive reuse of the remaining sites.

WEAKNESSES

- Revenue from completed sites is lost upon their transfer out of the portfolio, leading to the requirement for ongoing funding from the government to enable the "job to be finished".
- The activation, education and storytelling work of the Harbour Trust ceases and the social history of the portfolio could be lost.
- The Harbour Trust becomes a project team solely focused on remediation and adaptively reusing sites. Talent and skills in site interpretation and the preservation of Australian stories is lost.

OPPORTUNITIES

- The Harbour Trust becomes an agency that manages the transition of a pipeline of complex, sensitive and historical sites that government is not presently equipped to adaptively reuse via other existing agencies.
- The pipeline of sites may include those in a broader geography than just Sydney Harbour.

THREATS

- The narrative that unites the sites in the portfolio is fragmented and lost. The sites are considered, treated or managed on an individual basis and their national collective significance is lost.
- Future custodians of the Harbour Trust's sites could proceed with unsympathetic development impacting the character of the sites and the harbour, as well as impacting adjacent communities.
- Not all sites generate enough revenue to become self-funding. The receiving agency may after a period proceed with more intense or inappropriate development on financial grounds or alternatively reduce support and close off areas from public use.

Scenario 5 — Activities Subsumed into Other Agency

- The Harbour Trust is merged into an agency such as Property NSW or NSW National Parks and Wildlife Service.
- The Harbour Trust's people and assets are transferred, however current governance and legislation would cease.

Implications:

- The loss of the Harbour Trust's current planning powers would limit the future potential of sites in the portfolio.
- The balance between public and commercial outcomes that the Harbour Trust has been able to successfully achieve across the portfolio would be at risk, due to the competing influences and priorities within a larger agency.
- The community may lose trust in the management of the current portfolio.

STRENGTHS

- The Harbour Trust's skills, expertise and resources are kept together and available to be applied to a broader number of appropriate sites within the receiving agency's portfolio.
- Possibility for a more streamlined operating model by consolidating core functions.

WEAKNESSES

- The Harbour Trust would lose its planning powers. Any further renewal and adaptive reuse or new light touch development opportunities would be subject to the legislative framework of that agency; potentially reverting to the local council in the first instance.
- Depending on the agency, opportunities for adaptive reuse or light touch commercial activities may be limited by legislation.
- The Harbour Trust's talent and skills in site interpretation and the preservation of Australian stories is lost.
- As part of a broader agency, the goodwill and trust developed with the community would be lost.

OPPORTUNITIES

- As part of a larger agency business functions could be undertaken by the broader agency leading to some efficiencies. This would leave the legacy Harbour Trust team to focus on management and activation of Sydney Harbour parkland sites.

THREATS

- The Harbour Trust's current portfolio of sites would compete with other priorities, putting at risk the ongoing program of preservation, maintenance and activation — impacting access for the public.
- The activation, education and storytelling work of the Harbour Trust ceases and the social history of the portfolio could be lost.
- Not all sites generate sufficient revenue to become self-funding. The receiving agency may after a period proceed with more intense or inappropriate development on financial grounds.
- A risk of unsympathetic development impacting the character of the sites, the harbour, as well as impacting adjacent communities.