



SYDNEY HARBOUR FEDERATION TRUST

124th MEETING

Boardroom, Sydney Harbour Federation Trust Offices
Building 28, Best Ave, Mosman

Meeting in Private

18 September 2018

MINUTES

True & Correct Record of the 124th Meeting of the
Sydney Harbour Federation Trust

Chairman

These publications have private and confidential information removed



b) Declarations of Interest

The Declarations of Interest were NOTED, with the following changes requested:

Jean Hay – removal of Director, Manly CBD Centre Management;

Garth Callender – removal of Ambassador, Bravery Trust and Patron, Matthew Millhouse salute, as no longer relevant.

c) Circular Resolution re Minutes of the Board Meetings (Private and Public) held 29 June 2018 (Passed).

The Board NOTED the Circular Resolution.

It was also noted that Minutes for publication on the Harbour Trust website have private and confidential information removed.

2. Actions Arising from the Minutes

Matters arising were included in Reports and considered during the course of the meeting.

3. Chairman's Report (*Confidential*)

The Chair would be writing to the new Minister for the Environment, congratulating her on her appointment and highlighting the current issues facing the Trust.

The mid-year budget review process is currently being undertaken.

The Chair, Jessica Keen and Mary Darwell met with North Sydney Council in relation to updating the Council about works at Sub Base Platypus.

The Chair also met with State MP, Felicity Wilson and the Headland Preservation Group.

The Chair also noted the positive community participation in Kevin McCann's farewell afternoon tea.

The Daily Telegraph were doing a series of articles, the Bradfield Oration, on the future of Sydney and its needs. The paper had shown interest in interviewing Mary Darwell in relation to Cockatoo Island. Discussions were held about this opportunity.

4. Internal Audit Report

The Report was taken as read. Susan Culverston spoke to the Internal Audit Report.



The Board:-

- a) NOTED the Internal Audit Report.
- b) DISCUSSED and ENDORSED the 2018-2019 Internal Audit Workplan, with one amendment. The Board required that as part of the internal audit program Project Management should be included.

Moved: J. Carrozzi

Seconded: J. Hay

5. Finance Report to end June 2018

The Finance Report was taken as read. Susan Culverston spoke to the report and also advised that there had been some changes to the commentary and presentation since the Board papers had been prepared, however there were no changes to the reported numbers and result. The following documents were tabled:

- Updated Harbour Trust consolidated financial statements
- Updated Sydney Harbour Conservancy financial statements
- Auditors Closing Report
- Management Representation Letter
- Director Representation Letter
- Copy of the Finance Sub-Committee letter to the Portfolio Audit Committee
- Copy of the Portfolio Audit Committee letter to the Board

Rahul Tejani from the ANAO spoke to the Audit Closing Report and advised of management's response in relation to the report. Mr Tejani informed the Board that an unmodified audit certificate would be issued.

The Portfolio Audit Committee Finance Sub-Committee had reviewed the consolidated financial statements in detail. The Sub-Committee made recommendations to the Portfolio Audit Committee. The Portfolio Audit Committee endorsed the financial statements for the Harbour Trust and the Sydney Harbour Conservancy Ltd for the year ended 30 June 2018.

Discussions were also held in relation to the activation of the Conservancy and a request that the Board consider appointing an additional Director to the Conservancy Board.

The compliance report in relation to compliance with the PGPA Act and Rules was discussed. This had been reviewed by the Finance Sub-Committee. The Board NOTED this report.

The Board RESOLVED:-

- a) That in its opinion, the Financial Statements for the year ended 30 June 2018 are based on properly maintained financial records and give a true and fair view of the matters in accordance with the requirements of the Public Governance, Performance and Accountability Rule.
- b) That in its opinion, there are reasonable grounds to believe the Trust will be able to pay its debts as and when they become due and payable.
- c) To approve the Management Representation Letter for Directors.



- d) To approve the Management Representation letter to the ANAO.
- e) There would appear to be no issues that would prevent the signing of the 2017-18 Sydney Harbour Conservancy Ltd financial statements;
- f) The annual financial statements for SHC comply with the *Corporations Act 2001*, Australian Accounting Standards and *Corporations regulation 2001*
- g) The reporting of financial information within the statements is considered appropriate.

Moved: S. Hook

Seconded: J. Hay

6. Mosman Drill Hall Precinct Management Plan

Justin Bock spoke to the Report. A number of submissions had been received on this matter. The Board discussed at length the concerns of stakeholders, including residents' concerns about traffic, noise and light spill, as well as sporting group concerns in relation to the lack of facilities for training.

The Board NOTED:

- The technical reports that had been provided;
- Comments from government and community stakeholders and the Community Advisory Committee;
- The provisions of the Lease for the precinct, in relation to night time use of the outdoor netball courts;
- The current management plan;
- The need for coordination of the management of the adjoining Drill Hall/Rawson Park sport and recreation precincts and to protect local amenity.

Of concern to the Board was the current significant traffic management issues during the late afternoon/early evening. This required resolution before further consideration of the matter.

The Board RESOLVED:-

To defer consideration of any amendment to the Mosman Drill Hall Precinct Management Plan, until Mosman Council provides and implements a traffic management plan to improve traffic and safety in the area, and carries out a review in six months' time to ascertain the result of this work. This plan should also examine scheduling of activities in the Sport and Recreation precinct. Until this is carried out, the Harbour Trust Board cannot consider further intensification of use for this site.

Mosman Council to be advised of this decision.

Moved: J. Carrozzi

Seconded: S. Hook

7. Annual Report

Mary Darwell advised that the report provided was still in draft and there were still some presentation matters to be addressed, as well as updates to Board attendance figures. The Portfolio Audit Committee



had reviewed the Annual Performance statement contained in the Annual report and data supporting the performance result had been verified.

The Portfolio Audit Committee had provided written advice that the Harbour Trust's performance statements are appropriate and that they, and the performance reporting processes, comply with the requirements of the PGPA Act and Rule. This advice was tabled at the meeting.

The Board noted the high quality of the report. It was suggested that some photographs would benefit from captions. It was also suggested that the Minister be provided with an appropriate note in relation to tabling the report in Parliament.

Mary Darwell also requested to send a formal note of thanks from the Board to the Advisory and Reference Groups for their contribution during the year.

The Board RESOLVED:-

To note and approve the draft 2017-18 Annual report, subject to minor editorial amendments by management and any Board feedback.

Moved: G. Callender

Seconded: J. Keen

8. Event Policy and Event Support Policy

Kathryn Roberts spoke to the policies, providing background and further information on the types of events, classifications and the support offered. Current and planned events were also discussed.

The Board RESOLVED:-

To approve the Event Policy and the Event Support Policy, subject to the deletion of Item 5.5.2 from the Events Policy.

Moved: J. Hay

Seconded: G. Callender

9. Strategy Report (*Confidential*)

The Report was taken as read and Justin Bock spoke to the Strategic Report.

Following on from the strategy day, a draft vision for priority sites had been developed.

It was also suggested that the statistics page from the Corporate Plan, combined with the vision statements document, would be of benefit in the strategic work and stakeholder engagement being undertaken.



The Board:

- NOTED that Management are continuing active engagement with the Department as we await updated processes and mechanisms for MYEFO;
- NOTED the contents of Attachment A – Draft Vision for Priority Sites;
- APPROVED Management to start to engage with a broader set of stakeholders
- DISCUSSED the need for additional engagement between the Board to the new Minister

10. Sub Base Platypus Report (Confidential)

- a) Construction Update**
- b) Leasing Update**

Libby Bennett updated the Board on the Construction performance at Sub Base Platypus.

Stephen Alborough updated the Board on the Leasing performance at Sub Base Platypus.

The Board NOTED:-

- The construction update;
- That we will have concluded our Expression of Interest process by 30th September 2018, and will move to an Open Leasing process in compliance with our obligations under the Leasing Policy;
- The marketing renders of a number of buildings on the site;

11. Property Report (Confidential)

The report was taken as read. Stephen Alborough spoke to the Property Report.

In relation to 10 Terminal, SIMS had advised that they had not as yet secured funding. Whilst it was acknowledged the CUMI was the best possible use for the building, the matter had been an issue for nearly two years.

Stephen also provided a property business unit update, referring to the adoption of a new lease template and the reinstatement of tenant surveys.

The Board requested information on the number of buildings that are not available for rent that could be leasing opportunities. This information to be included in the next report to the Board.



12. Visitors' Research and Visitor Numbers

Kathryn Roberts updated the Board on the Visitors' research and Visitor numbers. The Board discussed and noted the results. The data collection methodologies were explained as well as the issues with sites having multiple entry points.

Satisfaction scores were noted as being high.

General discussions were held around greater wi-fi and digital access and the opportunities that this would provide for visitor research.

The Board NOTED the Visitors' Research and Visitor Numbers.

13. Treasury Report

The Treasury Report was taken as read and Susan Culverston updated the Board on the Harbour Trust's treasury position as at 30 June 2018.

The Board NOTED the Report and the current treasury management position for the Harbour Trust.

14. Governance, Risk and Compliance Report

The Report was taken as read and Susan Culverston updated the Board on the status of risk management and compliance activities.

Detailed discussions were held in relation to the organisation's risk profile and the general culture of the organisation in relation to risk and compliance.

The Board requested that an additional risk item be placed on the risk register, specifically related to reputational risk.

Risk Management, risk profiles and organisational and business unit risk registers, are to be the subject of a full review over the next three months.

The Board NOTED the Governance, Risk and Compliance Report.



15. Cockatoo Island Crane Safety Strategy

Detailed discussions were held in relation to the current condition of the cranes on Cockatoo Island. The Board noted that management had taken measures to ensure public safety through the extension of exclusion zones and appropriate fencing, where this was necessary.

The Board NOTED the Crane Strategy Report and the commitment of approximately \$300K to carry out urgent works.

16. Fraud Control Report

Susan Culverston spoke to this report and highlighted the fraud risk assessment undertaken and the fraud training that had taken place. There had been no known incidences of fraud.

The Board NOTED the Fraud Control Report.

17. Internal Controls Report

Susan Culverston spoke to this report and the Internal Controls Assessments that had been undertaken. Quarterly reports will be provided to the Board on the Internal Controls Action Plan that formed part of the report.

The Board NOTED the Internal Controls Report.

18. Director's Liability Insurance

Directors had requested legal advice on Director's & Officer's Liability Insurance. The Australian Government Solicitor had been requested to provide this advice. The advice from AGS was tabled. This will also be distributed to Management.

The Board NOTED the covering report and the AGS advice.

19. Community Advisory Committee's Report

The report was taken as read.

The Board NOTED the Community Advisory Report.



20. Executive Director's Report

Mary Darwell spoke to her report.

The Board NOTED the Executive Director's Report.

In Camera

The meeting closed at 3.40pm.