



Vision planning and management of Sydney Harbour sites.

SYDNEY HARBOUR FEDERATION TRUST

116th MEETING

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

Meeting in Private

18 September 2017

MINUTES

True & Correct Record of the 116th Meeting of the
Sydney Harbour Federation Trust

A handwritten signature in black ink, which appears to read "Leon Lunn". A horizontal line is drawn under the signature.

Chairman

Minutes of the 116th meeting of the Sydney Harbour Federation Trust held in the Boardroom, Sydney Harbour Federation Trust, Building 28 Best Ave, Mosman at 3.30 p.m. on 18 September 2017.

Present

Mr Kevin McCann AM	Member (by teleconference)
Mrs Jean Hay AM	Acting Chair
Ms Sally Herman	Member
Mr Joseph Carrozzi	Member
Ms Sandra Hook	Member (by teleconference)
Ms Josephine Cashman	Member
Mr Garth Callender	Member

In attendance

Ms Mary Darwell	Executive Director
Dr Susan Culverston	Deputy Executive Director/CFO
Mr David Llewelyn	Manager, Finance and Corporate Services

The meeting commenced at 3.32 pm on Monday 18 September 2017.

1. Introduction

- a) Welcome and acknowledgement of country.
Jean Hay, the Acting Chair welcomed everyone to the meeting.

The appointment of a Trustee who is an elected member of an affected council remains vacant.

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

Moved: J Hay Seconded: K. McCann

- b) Apologies

There were no apologies.

- c) The Declarations of Interest.

The Declarations of Interest were noted.

Mr McCann advised that he will be appointed to a Pharmaceutical company on 17th September and will be retiring as Chair of Dixon Hospitality on 22 September – details will be provided to the Executive Director. Ms Cashman advised she Acting, and Deputy Chair, of Gadigal Information Services and a member of the Google RAP Committee.

At the request of Mr McCann, Item 4, on the agenda, was dealt with first by the meeting.

2. Minutes of the Meeting held on 23 June 2017 in Private (Agenda Item 2)

The minutes from the 112th meeting held in private on 23 June 2017 were considered. The minutes were accepted by the Trustees as a true and accurate record of the meeting.

The Trust RESOLVED to accept the minutes, from the 112th meeting of the Trust held in private on 23 June 2017.

Moved: K. McCann Seconded: J. Hay

Minutes of the Meeting held on 23 June 2017 in Public (Agenda Item 2)

The minutes from the 113th meeting held in public on 23 June 2017 were considered. The minutes were accepted by the Trustees as a true and accurate record of the meeting.

The Trust RESOLVED to accept the minutes, from the 113th meeting of the Trust held in public on 23 June 2017.

Moved: K. McCann

Seconded: J. Hay

Questions raised after conclusion of the Meeting held on 23 June 2017 in public. Given the time that has elapsed since the meeting in public, the notes to be updated to incorporate any new developments.

Minutes of the Meeting held on 17 July 2017 in Private (Agenda Item 2)

The minutes from the 114th meeting held in private on 17 July 2017 were considered. The minutes were accepted by the Trustees as a true and accurate record of the meeting.

The Trust **RESOLVED** to accept the minutes, from the 114th meeting of the Trust held in private on 17 July 2017.

Moved: S. Herman

Seconded: J. Hay

Minutes of the Meeting held on 1 September 2017 in Private (Agenda Item 2)

The minutes from the 115th meeting held in private on 1 September 2017 were considered. The minutes were accepted by the Trustees as a true and accurate record of the meeting.

The Trust **RESOLVED** to accept the minutes, from the 114th meeting of the Trust held in private on 1 September 2017.

Moved: J. Hay

Seconded: J. Carrozzi

Minutes of the Resolution without Meeting dated 2 September 2017 (Agenda Item 2)

The minutes from the Resolution without Meeting dated 2 September 2017 in regard to the Leasing and Property report were considered.

The Trust **RESOLVED** to accept the minutes from the Resolution without meeting dated 2 September 2017

Moved: J. Hay

Seconded: G. Callender

3. Matters Arising

Headland Park Child Care Centre – new operator now in place. Operator is looking at further playground improvements. An Open Day is to be held later in the year. There has been positive feedback from parents.

Tenant Selection Committee – S. Herman queried the membership and operations of the Tenant Selection Committee, and our approach to Property & Leasing management. M. Darwell advised that the Harbour Trust has engaged a consultant to look at the organisational structure and the strategic direction that the Trust wishes to take and how this should be delivered. This matter would be addressed as part of that review.

The Heads of Terms have been signed for building 4 at North Head. Due to the community subsidy arrangement, there will be KPI's and required reports on outcomes and outputs in relation to the site. There is a requirement for active utilisation of the building.

Negotiations are continuing in relation to the leasing of Buildings 44 and 46. Currently there are discussions around capital works that need to be undertaken in relation to the air conditioning.

Sub base Platypus – M. Darwell advised that in terms of leasing, the Harbour Trust has had good interest from organisations such as Lend Lease, sales agents and other property management firms. A further update will be provided to the October Board meeting.

4. SHFT Consolidated Financial Statements (Agenda Item 4)

The report was taken as read.

Mr McCann spoke to this report. The Portfolio Audit Committee, SHFT Financial Sub-Committee, comprising Geoff Knuckey, Kevin McCann and Sally Herman, reviewed the financial statements and the ANOA closing reports.

The surplus of \$652k was noted. The format of the financial statements was in accordance with reporting requirements for the Public Sector including the requirement to disclose the budget details.

The sub-committee endorsed the financial statements for the Harbour Trust and the Sydney Harbour Conservancy Ltd for the year ended 30 June 2016 and recommended them for signature to the Chair, Mr McCann. The sub-committee stated that the financial statements were materially fairly stated and prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* made under the *Public Governance, Performance and Accountability Act 2013*, including applicable Australian Accounting Standards and Interpretations.

As SHFT Financial Statements are consolidated statements, the Financial Statements for Sydney Harbour Conservancy Limited were included with the Board papers for the information of Trustees.

The ANAO closing report was discussed and the Trustees noted the items that required further management actions. M. Darwell advised that the matter of the outstanding debt as a result of a dispute over a market rent review had been resolved by the TSC. Additionally, work on resolving the tower lease was continuing and managers had been requested to put in place plans to reduce leave entitlements.

Ageing of Debtors would be included as part of the Finance Treasury Report each quarter.

The Board requested that the Internal Auditor should be invited to speak with the Board in private at least once per year.

The Trust RESOLVED:

- a) That in its opinion, the Financial Statements for the year ended 30 June 2017 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 2015.
- b) That in its opinion, there are reasonable grounds to believe the Harbour Trust will be able to pay its debts as and when they become due and payable.
- c) To approve the Management Representation Letter to ANAO.
- d) To approve the Trust Representations letter to the ANAO.
- e) To authorise a Director of the Trust, the Executive Director and the Chief Finance Officer to sign the Representation letter for the ANAO and the Certification on the financial statements.

Moved: K. McCann

Seconded: S. Herman

5. Compliance Report (Agenda Item 5)

S. Culverston spoke to the report. The report was noted.

The Trust RESOLVED:

For the financial year ended 30 June 2017, in the opinion of the Directors, based on adequate internal controls, including the advice of Management and the Audit Committee, Sydney Harbour Federation Trust has:

(a) complied with the provisions and requirements of the Public Governance, Performance and Accountability Act 2013 (PGPA Act); and the PGPA Rules as amended from time to time.

Moved: S Herman

Seconded: J. Carozzi.

6. Internal Audit Work Plan (Agenda Item 6)

The report was taken as read.

D. Llewellyn spoke to the report. M. Darwell advised that the WHS internal audit was added to follow on from the implementation of a new Safety Management System. This matter will be on the October Board meeting agenda.

The Trust **RESOLVED** that the Internal Audit Work Plan and additional budget be approved.

Moved: J. Cashman

Seconded: S. Herman

7. Annual Report (Agenda Item 7)

M. Darwell advised that the Chair's forward had been amended and provided the Trustees with a hard copy of the amended item. The main change was to acknowledge Geoff Bailey's many years of service to the Harbour Trust.

The other major change is that the Performance Statement in the Annual Report will be put at the back of the report. This is a formal governance type of reporting requirement and does not interfere with the flow of the report.

M. Darwell advised the next steps and the deadlines for the printing and lodging of the printed copy with the Minister for tabling in Parliament. If there were any suggested changes, these needed to be back to the Harbour Trust by Wednesday 20 September at the latest.

Various changes were also discussed in regard to the Executive Director's report.

The Trust **RESOLVED** to approve the Annual Report with amendments as requested.

Moved: K. McCann

Seconded: J. Cashman

7a. Performance Statement (Agenda Item 7a)

S. Culverston spoke to this report. M. Darwell also advised that this review would in future be carried out by the Portfolio Audit Committee, prior to submission to the Board for approval.

J. Carrozza raised a query in relation to the RAP. M. Darwell advised that work is underway and that a draft RAP had been prepared. This would be shortly distributed to J. Cashman and S. Moylan-Coombs. A paper would be prepared for the October Board meeting.

The Trust **RESOLVED** to approve the Performance Statements as tabled.

Moved: S. Herman

Seconded: J. Carrozza

8. Executive Director's Report (Agenda Item 8)

The report was taken as read. Ms Darwell spoke to the report.

Ms Darwell distributed copies of the new Corporate Plan 2017-2021 and also showed a recently produced video showcasing the Harbour Trust sites. These would be used when meeting with the Minister and other stakeholders.

J. Cashman suggested that excerpts from the video could perhaps be used on Google maps and this should be investigated.

M. Darwell advised that the workshop with Deloittes is scheduled for early October and thanked the Trustees for making themselves available.

An organisational review has also commenced. Additionally, there is significant work being undertaken in relation to WHS. These matters will be covered by papers to the October board meeting. M. Darwell and the Chair had met with the Chair of SIMS. Their business case is nearly complete.

The Trust RESOLVED to accept the Executive Director's Report.

Moved: J. Carrozzi Seconded: G. Callender

NEXT MEETING

The next meeting to be held on 19 October, 2017, commencing at 10 a.m. in the Boardroom, 28 Best Avenue, Mosman.

The meeting closed at 4.30 p.m.