



SYDNEY HARBOUR FEDERATION TRUST

112th MEETING

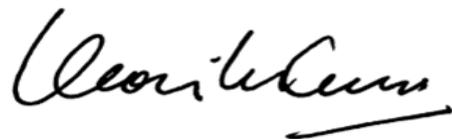
Boardroom, Sydney Harbour Federation Trust Offices,
Building 28, Best Ave, Mosman

Meeting in Private

23 June 2017

MINUTES

True & Correct Record of the 112th Meeting of the
Sydney Harbour Federation Trust



Chairman

These publications have private and confidential information removed

Minutes of the 112th meeting of the Sydney Harbour Federation Trust held in the Boardroom, Sydney Harbour Federation Trust, Building 28 Best Ave, Mosman at 12.07pm on 23 June 2017.

Present

Mr Kevin McCann AM	Chair
Mrs Jean Hay AM	Deputy Chair
Ms Sally Herman	Member
Mr Joseph Carrozzi	Member
Ms Sandra Hook	Member
Ms Josephine Cashman	Member
Mr Garth Callender	Member

In attendance

Ms Mary Darwell	Executive Director
Dr Susan Culverston	Deputy Executive Director/CFO (Partial attendance)
Mr Jamie Lonie	Director, Asset Management and Operations
Mr David Llewelyn	Manager, Finance and Corporate Services (Partial attendance)
Mr Daniel Sealey	Manager, Planning (Partial attendance)
Ms Jane Page	Secretariat

The meeting commenced at 12.07pm on Friday 23 June 2017.

1. Introduction

a) Welcome and acknowledgement of country.

The Chair welcomed Mr Callender as a newly appointed Trustee, Mrs Hay who has been reappointed to the Board and Ms Darwell who was appointed as Executive Director in April.

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: J Carrozzi

b) Apologies

There were no apologies.

c) The Declarations of Interest.

The Declarations of Interest were noted.

Mr Carrozzi advised that as Vice Chairman of GWS Giants AFL team, he had no link with local AFL clubs. Mr McCann advised he is a member of the Council of Governors at Queenwood School for Girls who play sport regularly on the Middle Head and Georges Heights ovals. Ms Cashman advised she was Treasurer of Gadigal Information Services who were conducting an event on Cockatoo Island.

2. Minutes of the Meeting held on 3 March 2017 in Private (Agenda Item 2)

The minutes from the 111th meeting held in private on 3 March 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 111th meeting of the Trust held in private on 3 March 2017.

Moved: S Hook

Seconded: J Carrozzi

3. Minutes of the Resolution without Meeting dated 11 April 2017 (Agenda Item 3)

The minutes from the Resolution without Meeting dated 11 April 2017 in regard to the Middle Head Management Plan final approval were considered.

The Trust RESOLVED to accept the minutes from the Resolution without meeting dated 11 April 2017.

Moved: S Herman

Seconded: S Hook

4. Minutes of the Resolution without Meeting dated 27 April 2017 (Agenda Item 4)

The minutes from the Resolution without Meeting dated 27 April 2017 in regard to the signing and issue of the Executive Director's contract were considered.

The Trust RESOLVED to accept the minutes from the Resolution without meeting dated 27 April 2017.

Moved: J Carrozzi

Seconded: J Cashman

Matters Arising

Matters Arising were included in reports and considered during the course of the meeting.

5. Platypus update including CAC approval (Agenda Item 9)

The report was taken as read.

Mr Lonie, as Project Leader, presented an update on work undertaken and planned for Platypus site. The architectural master plan was endorsed by Trustees at the last Board meeting. Since March, planning and procurement processes have been established. Management to report at each Board meeting, the expenditure against timeline for the project.

A site audit, as part of the site remediation that was undertaken following the site being handed to the Harbour Trust by the Department of Defence, has yet to be finalized. A substantial risk register has been established for the site in keeping with the work to be undertaken. Consultation in regard to third party approvals has commenced. Overall project delivery is on track with Stage 1A works to be completed by May 2018 and Stage 1B works to be completed by January 2019.

An EOI is to be conducted for the site, to help advise the future tenancy of the site. The branding of the site may not be finalized until the EOI process is finalised.

The Trust RESOLVED to approve the recruitment of an additional member for the Platypus Community Advisory Committee.

The Trust RESOLVED that Management provide a report on the project at each Board meeting.

Moved: J Carrozzi

Seconded: S Herman

6. Draft Strategy (Corporate Plan) (Agenda Item 5)

The report was noted.

The current Corporate Plan has been reviewed in light of the outcomes of Board and Management strategy sessions that have been held in 2017. A new Corporate Plan has been drafted to refresh the Harbour Trust's Vision, Mission and the strategies to achieve these. Trustees discussed the draft document. The reviewed document will be published on the Harbour Trust's website once it has been noted by the Minister for the Environment and Energy and the Minister for Finance.

The Trust RESOLVED to approve the draft Corporate Plan 2017-2021, including further minor edits by the Executive Director and its subsequent submission to the Department of the Environment and Energy and the Minister for the Environment and Energy.

Moved: S Herman

Seconded: J Carrozzi

7. Middle Head Oval (Agenda Item 7a)

The report was taken as read.

Mr Craig Covich, Director Environment & Planning at Mosman Council attended for part of these discussions to outline Council's proposal.

Mosman Council is requesting that the Harbour Trust accept a DA for its proposal to convert Middle Head Oval's playing surface from grass to synthetic material. The matter has been discussed at previous Board meetings and preliminary information requested by Trustees has been provided. The subject was further discussed in light of this information. It was agreed that the Trust should accept a DA supported by in-depth information to allow for formal community consultation and a thorough examination of potential issues and impacts. In particular, the Trust noted that detailed environmental study will be necessary on the surface proposed to enable the assessment of environmental impact, as advice to date was general in nature. The Trust understands that Council has a number of matters to resolve (including seeking environmental advice from SIMS, securing tenure of the oval, and having the proposal reviewed by Council's Audit Committee) before it will be in a position to lodge a DA.

The Trust RESOLVED that Mosman Council be advised that the Harbour Trust will accept a formal DA for Council's proposal to install a synthetic playing surface at Middle Head Oval, noting:

- a) Further work Council is required to undertake ie seeking environmental advice from SIMS, reviewing Council Audit Committee and securing of tenure.
- b) Request for full analysis of impact of the proposal including but not limited to detailed environmental analysis on the surface proposed, heritage, amenity, visual and traffic/parking.
- c) The proposed synthetic surface does not compromise Defence's ability to use the oval for helicopter landings and military exercises.
- d) Council including in its DA its other proposals for the area: i.e. i) relocation of the sports pavilion; and ii) construction of a playground on the eastern side of the oval.
- e) Council to consider referring the proposal to the Minister for the Environment and Energy in accordance with the EPBC Act to determine whether the proposal would have a significant impact on the environment.

Moved: S Herman

Seconded: J Cashman

8. Draft Budget 2017-2018 (Agenda Item 6)

The Financial Report and Treasury Management Report were taken as read.

Mr Llewelyn presented the draft Budget 2017-2018 and forward year projections to Trustees. The budget for 2017-2018 has been developed with the input of each business unit and has been brought in line with the key outcomes within the updated Corporate Plan. There is a projected surplus for 2017-2018 despite the projected fall in total revenue for the year of 4%.

The Trust RESOLVED to approve the Budget for 2017-18 as presented.

Moved: J Carrozzi

Seconded: S Hook

9. Unsolicited Proposal for Middle Head (Agenda Item 7b)

Ms Darwell spoke to the report which briefed the Board on an unsolicited proposal being developed for 10 Terminal, Middle Head by Sydney Institute of Marine Science (SIMS).

After discussion, the Trustees agreed SIMS' concept to create the Centre of Urban Marine Innovation through the adaptive re-use of 10 Terminal had strong potential to help the Harbor Trust deliver its objectives to enhance the amenity of Sydney Harbour, to protect the heritage

values of Middle Head, to encourage public access and to engage the community. Although the Trustees agreed the SIMS concept was not yet sufficiently developed to be considered as an unsolicited proposal under the Harbour Trust Leasing Policy, they noted the NSW Government's funding commitment to assist SIMS in preparing a business case, and agreed that with further development, the concept could become a full unsolicited proposal. The Trustees agreed the Harbour Trust should support SIMS in the development of its concept into an unsolicited proposal capable of consideration by the Board at its December meeting, noting SIMS intent to work with key community stakeholders in developing the proposal and desirability of engagement with HPG and the Department of Education in developing the proposal. It was noted that exclusivity could not be offered to SIMS at this stage.

It was noted that with the approval of the Management Plan for Middle Head, a priority was to determine a viable permanent use for 10 Terminal.

The Trust RESOLVED to:

1. Provide SIMS with the opportunity to develop an unsolicited proposal for 10 Terminal for consideration by the Board.
2. Write to SIMS:
 - a) Stating that its concept for the Centre for Marine Innovation is a desirable outcome for Middle Head with the potential to be developed into an unsolicited proposal;
 - b) Stating that the Harbour Trust will co-operate with SIMS and Government in the development of an unsolicited proposal;
 - c) Noting that the unsolicited proposal would be expected to contain details such as business case, draft architecture plans and firm financial arrangements.
3. Request Management to provide an update to the Board at its next meeting on SIMS' progress with its proposal, with the full proposal to be presented to the Board at its December meeting.

Moved: J Carrozzi

Seconded: J Hay

10. Legal Position: 25 Year Lease (Agenda Item 10)

The report was taken as read.

The Trust RESOLVED to:

1. Note the legal advice from AGS regarding the interpretation of s.64A (Leases over 25 years) of the SHFT Act; and
2. Agree to Management consulting with the Department's Counsel regarding the advice including seeking potential further legal advice on this matter.
3. Approve a minor change to s.10.3 of the Leasing Policy to reflect the intent of s.64 and s.64A of the SHFT Act.

Moved: J Carrozzi

Seconded: S Hook

11. Cockatoo Island Management Plan (Agenda Item 8)

The report was taken as read.

Minor changes were made to the Cockatoo Island Management Plan in accordance with advice received from the Australian Heritage Council.

The Trust RESOLVED to:

1. Note the Australian Heritage Council's (AHC) advice that while the draft Cockatoo Island Management Plan substantially satisfies the Harbour Trust's obligations under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), some minor changes to the draft Plan are recommended before it is finalised.
2. Note that the draft Plan has been revised to incorporate the AHC's recommended changes.
3. Approve the revised draft Plan in accordance with the Comprehensive Plan and section 341S(2) of the EPBC Act.

4. Agree for the draft Plan to be forwarded to the Minister for the Environment and Energy (or his delegate) for approval in accordance with sections 316(1) and 324S(2) of the EPBC Act.

12. Reconciliation Action Plan (Agenda Item 11)

The report was taken as read.

Information was provided to the Board regarding the process for the development and implementation of a Harbour Trust specific Reconciliation Action Plan.

The Trust RESOLVED to approve working towards a Reconciliation Action Plan to be circulated to the Board in December 2017 for approval upon endorsement by Reconciliation Australia.

13. Chairman's Report (Agenda Item 12)

The Chair reported privately to Trustees.

14. Executive Director's Report (Agenda Item 13)

The report was taken as read.

15. Governance, Risk and Compliance Report (Agenda Item 14)

The reports were taken as read.

16. CAC Update (Agenda Item 15)

The reports were taken as read.

Other Business

Childcare Centre, Headland Park

The Executive Director gave an appraisal of the situation regarding the appointment of the operator to the childcare centre at Headland Park. A number of parents have expressed concern regarding the appointment. A meeting has been held with a parent group to hear directly of their concerns. The matter is ongoing.

The meeting closed at 3.35pm.