

SYDNEY HARBOUR FEDERATION TRUST

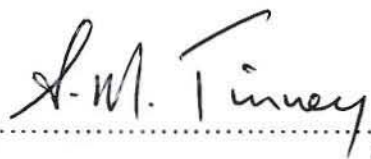
95th MEETING

Boardroom, SHFT Offices, Building 28 Best Ave, Mosman – Meeting in Private

9 December 2014

MINUTES

True & Correct Record of the 95th Meeting of the
Sydney Harbour Federation Trust


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Chair

DRAFT UNTIL SIGNED

Minutes of the 95th meeting of the Sydney Harbour Federation Trust held in the Boardroom, Sydney Harbour Federation Trust Offices at 9.37am on 9 December 2014.

Present

Ms Anthea Tinney	Chair
Clr Jean Hay	Member
Mr Rohan Jeffs	Member
The Hon Leo McLeay	Member
Mr Peter Lowry	Member
Ms Sandra Hook	Member
Dr Elsie Heiss	Member
Ms Paula Braxton-Smith	Member

In attendance

Mr Geoff Bailey	Executive Director
Mr Nick Hollo	Deputy Executive Director
Dr Susan Culverston	Chief Financial Officer
Mrs Jane Page	Secretariat
Andrew Robinson	Solicitor, Robinsons Legal (joined meeting at 10.10am)

Apologies

There were no apologies.

The meeting commenced at 9.37am on Tuesday 9 December 2014.

1) Introduction

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

Moved: R Jeffs

Seconded: L McLeay

The Chair welcomed all to the meeting.

- b) Apologies
There were no apologies.
- c) Declarations of Interest
The declarations of interest were noted. Ms Hook clarified details in regard to her aged care interests.

There was discussion regarding the Middle Head Aged Care proposal and the Board meeting in public to be held today.

The meeting adjourned at 11.20am to accommodate the Board meeting in Public.

The meeting resumed at 2.00pm

Mr McLeay sent his apologies from 2.00pm.

There was discussion regarding the Board Meeting in public and the meeting that had just taken place with members of the public at the Drill Hall, Mosman.

Mr Lowry requested that it be recorded in the minutes that all costs associated with the aged care proposal – sewer, road work etc would be paid for by the applicants.

Mr Lowry tendered his resignation from the Tennant Selection Committee due to other commitments. The Chair accepted his resignation and thanked him for his very significant contribution over many years.

The claim by a CAC member that the opinions of the CAC had been misrepresented to the Board was discussed. The Board considered these allegations and agreed it was unlikely that the CAC members would have raised any new issues and therefore the Board was confident they had a clear understanding of all relevant issues. .

2) Governance, Risk and Compliance (GRC) (Agenda Item 7)

The Audit, Risk and Compliance Committee have reviewed the report. The report provided the Board with an update on the status of the GRC framework, actions taken and new issues that have arisen from 1 August 2014 to 31 October 2014.

Quarterly compliance certificates from management have been completed for the three month period ending 30 September 2014.

The Risk Management Policy and Framework have been independently reviewed by the Internal Auditors, Ernst & Young.

Management is systematically reviewing requirements under the *Public Governance, Performance and Accountability Act 2013*. To allow for implementation of the new non-financial reporting requirements for the 2015/16 financial year, the Trust will need to set non-financial KPIs prior to the end of June 2015. This will require a review and update of the Trust's strategic plan early in 2015.

The draft AR&CC Charter was reviewed by the AR&CC with minor changes made. The Chair of the AR&CC informed the Board of these changes. The AR&CC recommended to the Board that the AR&CC Charter be approved. The Charter is based on the ANAO model with the changes made to accommodate the PGPA Act.

The Trust RESOLVED to approve the Audit, Risk and Compliance Charter.

Moved: R Jeffs

Seconded: S Hook

3) Risk Management (Agenda Item 8)

The report provided a progress report of risk management activities undertaken during the period 1 August to 31 October 2014. The Review of Risk Management undertaken by the Internal Auditors, Ernst & Young was taken as read. The Internal Auditors provided a positive finding with the Trust's results.

The Trust's Fraud Control Policy has been reviewed to align it with the recently issued Commonwealth Fraud Control Policy and Resource Management Guide. The amendments reflect the changes under the new PGPA Act. This Policy was reviewed by the AR&CC at its meeting on 8 December and minor changes were made.

The Trust RESOLVED to approve the updated Fraud Control Policy.

Moved: R Jeffs

Seconded: J Hay

4) Procurement Policy and Delegations (Agenda Item 6)

The Internal Audit of Procurement Effectiveness Report by Ernst & Young was noted and taken as read.

Dr Culverston spoke to the report which was prepared in discussion with Mr J Lonie, Director, Asset Management & Operations. Ernst & Young have reviewed the Trust's current procurement processes from an efficiency and effectiveness point of view. The Audit, Risk and Compliance Committee reviewed the reports at their meeting on 8 December.

The Trust RESOLVED to approve, in regard to the General Expenditure, the increase in the *Open Tenders* procurement threshold¹ to \$250,000 including GST.

The Trust RESOLVED to approve, in regard to the Construction Projects Expenditure:
(a) the revised procurement thresholds; and
(b) the increase in the *Open Tenders* Construction Projects threshold² to \$1,000,000 including GST.

The Trust RESOLVED to approve the establishment of multi-list panels for the Sydney Harbour Federation Trust for General Procurement and Construction Services procurement.

Moved: R Jeffs

Seconded: J Hay

The updated Instrument of Delegations No 7 of 2014 will be signed by the Chair.

5) Comprehensive Plan (Agenda Item 3)

This matter was deferred.

6) Board Self Assessment (Agenda Item 4)

The HR Subcommittee requested that self assessment tools, suitable for use by Trustees, be explored. Examples were provided to the Board.

It was decided that the HR Manager should further investigate and organise a briefing for Directors regarding assistance with self assessment.

7) Board Code of Conduct (Agenda Item 5)

The report was noted. Minor changes were made to the Charter which included the Code of Conduct.

The Trust RESOLVED to approve the Board Charter with the minor changes.

Moved: R Jeffs

Seconded: P Lowry

8) Directors' and Officers' Liability Insurance (Agenda Item 9)

The report was noted. At the request of Mr Lowry, information was provided confirming that Directors and Officers were individually covered and cover was ongoing after retirement from the Board regarding decisions made whilst on the Board.

9) Finance Report (Agenda Item 10)

The report was noted.

Dr Culverston presented a summary of the Trust's financial position as at 31 October 2014. The end of October results indicate that the Trust will exceed its budgeted outcome for 2014-15. The Trust's revenue base continues to strengthen and diversify with Headland Park now being 98% occupied. Long term forecasts further demonstrate a sound financial basis.

As at 31 October 2014, the actual year-to-date operating result is \$238k surplus with a projected year-end surplus of \$709k.

¹ *Open Tenders* procurement threshold that mandates the use of *Open Tenders* in AS4000 format.

² *Open Tenders* Construction Projects threshold that mandates the use of *Open Tenders* in AS4000 format.

A number of factors were seen as being responsible for contributing to the current and forecast surplus, including licensing, insurance payouts resulting from storm damage and the transfer of Margaret Street Car Park at Woolwich from Hunters Hill Council.

Some residential properties are currently being refurbished as they had become vacant. Once completed and leased, there will be an improvement in returns.

Platypus wharf demolition has commenced. The decontamination of the window frames is underway.

10) Executive Director's Report (Agenda Item 11)

Mr Bailey gave a verbal report.

The Trust has recently received a Commendation Award at the Australian Awards for Excellence in Public Sector Management presented by the Institute of Public Administration Australia. The award was won for Delivering a Leading Foreshore Park. The award acknowledged the Trust's achievement in transforming historic former defence lands on Sydney Harbour with significant environmental and heritage values into a financially sustainable public parkland.

11) Middle Head Age Care facility (Agenda Item 12)

The Board discussed next steps before work commences on site.

12) Report by the Chair, Audit, Risk and Compliance Committee (Agenda Item 13).

Mr Jeffs reported throughout the meeting feedback from the AR&CC meeting held on 8 December 2014. There was nothing further to add.

13) Reconciliation Action Plan (Agenda Item 14)

Dr Heiss gave a verbal report. Information was circulated about Dr Peter Yanada McKenzie, who will be attending and exhibiting at the Bungaree exhibition, in January 2015, being organised by Mosman Council in association with the Trust to mark the 200th anniversary of Governor Macquarie's land grant to Bungaree.

14) Work Health and Safety (Agenda Item 15)

The report was noted.

The Board requested details of any major injuries. Fortunately, the number of incidents compared with the number of visitors to the Trust sites is very low.

15) 2015 Meeting Dates (Agenda Item 16)

The meeting dates for 2015 were taken as read and agreed to.

Other Business

There was no other business.

The meeting closed at 4.03pm