

# Sydney Harbour Federation Trust

## Statement of Expectations

March 2022

### Context

This document sets out the Government's expectations of the Sydney Harbour Federation Trust.

Statements of Expectation are common practice in the governance of Commonwealth statutory agencies, such as the Harbour Trust. They set out the Government's expectations for the priorities and performance of statutory agencies, while also respecting the independence afforded to agencies by their enabling legislation.

This statement is addressed to all members of the Harbour Trust. The members, collectively, constitute the "Accountable Authority" under the *Public Governance, Performance and Accountability Act 2013*. As such, members are collectively responsible for the governance and performance of the Harbour Trust. The 2020 independent review of the Harbour Trust reaffirmed the appropriateness of this "governing board" approach to agency governance.

This Statement of Expectations replaces previous Statements of Expectations, issued in 2019 and June 2020.

This Statement acknowledges recent changes in the membership of the Harbour Trust, and to its Executive Director, and is therefore timely, providing guidance to the refreshed leadership of the organisation.

The Harbour Trust is expected to respond with a Statement of Intent, outlining the actions that it will take in response to the expectations set out in this statement.

### Priorities

The role of the Harbour Trust is established in legislation. This Statement of Expectation focuses on how the Harbour Trust does its business.

#### Financial sustainability

The Harbour Trust should continue to give priority to improving its financial sustainability, and delivery on investments the Government has made in the Harbour Trust.

Since 2019, the Government has made over \$82 million in funding available to the Harbour Trust for works up to 2024 to support the remediation, activation and storytelling of sites, and financial sustainability.

- \$21.4 million for Sub-Base Platypus and 10 Terminal (2019-20 Budget)
- \$23 million for High Priority Repair works and COVID relief (2020 Review), and
- \$37.6 million for priority repairs (2020-21 Budget)
- \$3 million for master plans for Cockatoo Island and North Head Sanctuary (2020-21 Budget)

Funding provided for Sub-Base Platypus and 10 Terminal should deliver, in a timely way, the renewal of the sites to the point where they can support community use and the financial sustainability of the Harbour Trust, in partnership with others where appropriate.

Funding for priority repair works should be delivered in a timely way, and reflect a strategic approach to asset management.

In pursuing improvements to financial sustainability, particular attention should be given to:

- Developing strategies for Trust sites to maximise revenue in a way that is consistent with the broader public access and amenity objectives of the SHFT Act.
- Prioritising opportunities to partner with private and philanthropic entities, and the NSW Government, to support the rehabilitation, ongoing management, and increase visitation and celebration of the multi-layered history of the sites.
- Developing financially feasible strategies for the continued remediation and upkeep of Harbour Trust sites, supported by appropriate partnerships.
- Delivering a strategic and effective approach to asset management, to ensure asset repairs, maintenance and replacement is appropriately prioritised and maximally efficient.

This attention to financial sustainability should be a particular focus of the Harbour Trust's work to develop a refreshed vision for Cockatoo Island and North Head Sanctuary.

The responsible Minister should be updated on progress following each board meeting, including on the expenditure of the funding provided by the Government to support the financial sustainability of the Harbour Trust.

### **Ongoing Implementation of Independent Review Recommendations**

#### Community engagement

The 2020 Independent review of the Harbour Trust emphasised the importance of community engagement and recommended that current approaches to engagement be reviewed and refreshed.

The Harbour Trust should consult closely with the community to identify needs, opportunities and mechanisms to improve community engagement.

#### Organisational capability, performance and governance

The 2020 Independent review of the Harbour Trust recommended that the structure, capabilities and governance of the organisation are reviewed and refreshed to ensure it is appropriate to the current context and role of the Harbour Trust as an ongoing entity.

With refreshed leadership in place through new membership of the Harbour Trust and a new Executive Director, it is especially timely to undertake this review and make appropriate reforms.

As a part of this, the governance of the organisation, and way in which the Harbour Trust members collectively discharge their responsibilities as the Accountable Authority of the agency should be considered. This should ensure the members are, collectively, able to operate effectively as a governing board. As part of this, the board may wish to consider appointing a deputy chair.

#### Regulatory maturity

Following the independent review, the *Sydney Harbour Federation Trust Act 2001* has been amended, and new regulations (the *Sydney Harbour Federation Trust Regulations 2021*) established.

With this new and updated legislative basis in place, it is timely that the Harbour Trust review, and where appropriate improve, its regulatory maturity. This should include ensuring organisational policies and procedures are demonstrably consistent with the Harbour Trust's enabling legislation, and that there is appropriate regulatory capability within the organisation.

To support this, I encourage the Harbour Trust to engage with the regulator best practice and performance work of the Department of Agriculture, Water and Environment, and the Department of the Prime Minister and Cabinet.

### Deepening connections with the Commonwealth

The Harbour Trust is a Commonwealth government entity. As a small statutory agency based in Sydney, there is a risk of becoming disconnected to the broader Commonwealth government. This can come at a cost of lost opportunities and efficiencies (e.g. by not leveraging broader services and capabilities elsewhere in government). It can also carry risks of non-compliance with Government policies and processes.

The Harbour Trust should consider the ways in which it can deepen relationships with the Commonwealth and ensure staff and officials of the agency are familiar with relevant legislative and policy frameworks applying to Commonwealth agencies.

The Harbour Trust should also continue to build linkages and partnerships with national cultural institutions, as part of a connected approach to preserving and presenting Australia's heritage.

### Deepening connections with NSW and local councils

Harbour Trust sites form part of a mosaic of public parklands and spaces around the Harbour and Greater Sydney Region. While recognising the unique nature of Harbour Trust sites, the 2020 Independent review advocated for a stronger "whole of Harbour approach".

While the sites are appropriately managed by the Harbour Trust under its enabling legislation, the Harbour Trust should seek to deepen its collaboration with relevant NSW government agencies and local councils so that communities and visitors have a more joined up experience, and sites are effectively and efficiently activated and managed.