



SYDNEY HARBOUR FEDERATION TRUST

174<sup>th</sup> MEETING OF THE TRUST

Meeting in Private held in the Sydney Harbour Federation Trust Boardroom, Mosman

Thursday 15 August 2024 at 9.30am - 1.00pm

MINUTES

True & Correct (Abridged) Record of the 174<sup>th</sup> Meeting of the Trust

(private and confidential information has been removed where indicated)

Professor Tim Entwisle, Chair

Minutes of the 174<sup>th</sup> meeting of the Sydney Harbour Federation Trust held on Thursday 15 August 2024.

**Present**

Prof. Tim Entwisle	Chair
Ms Alison Page	Deputy Chair
Ms Alex O'Mara	Member
Ms Ann Sherry AO	Member

**Apologies**

Mr Terry Bailey	Member
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**In Attendance**

Ms Janet Carding	Executive Director
Ms Bernadette Or ( <i>partial attendance</i> )	Chief Operating and Financial Officer
Ms Kathryn Roberts ( <i>partial attendance</i> )	Director Marketing and Visitor Experience
Ms Rosemary Southcombe	Secretariat

The meeting commenced at 9.30am and was held in private due to confidential matters on the agenda.

**1. Welcome (Agenda Item 1)**

The Chair, Prof. Tim Entwisle, opened the meeting by acknowledging the traditional owners and custodians of the lands on which the meeting was being held, and paid respects to elders, past and present. The Chair acknowledged the deep feelings of attachment, and relationship, of Aboriginal and Torres Strait Islander peoples to Country and waters. The Chair also acknowledged the cultural authority of all Aboriginal and Torres Strait Islander people with whom the Harbour Trust engages.

Attendees were welcomed.

**a) Apologies**

Mr Terry Bailey. The Chair noted that Mr Bailey had provided feedback on the meeting papers which he would raise as appropriate.

**b) Declarations of Interest**

Members of the Trust were requested to advise if any declarations of interest are required prior to each meeting and, if necessary, during the meeting. Ms O'Mara confirmed the recent update to her declarations of interest and advised she has discussed with the Chair and is not aware of any conflicts of interest and will manage any potential conflicts in accordance with the conflict of interest policy.

**2. Foundation and Philanthropy (Agenda Item 2)**

Mr Kevin McCann AO joined the meeting for this agenda item. Mr McCann, Chair of the Sydney Harbour Foundation Ltd (the Foundation) and a former Chair of the Harbour Trust, was invited to join this meeting to discuss the Foundation and philanthropy.

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**CONFIDENTIAL DISCUSSION**

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The Chair thanked Mr McCann for his attendance and Mr McCann left the meeting.

### 3. Action Items from previous Meetings of the Trust (Agenda Item 3)

All action items from previous meetings have been completed, are in progress or will be discussed at this meeting.

- The Cockatoo Island / Wareamah Master Plan has been finalised and will be circulated to Members of the Trust. It is proposed that the master plan will be published next week, noting that it can be published at a time of our own choosing. The Harbour Trust is not expecting any media but the Trust members encouraged self-generated publicity to raise the profile of the island and the exciting plans for its transformation. It was suggested that different publications might focus on different elements of the master plan e.g. one publication could focus on a design story, while another publication could focus on the collaboration with SIMS at the island. The Executive Director agreed to follow up on media opportunities.
- The revised draft Rental Subsidy Policy will be discussed at today's meeting (see Agenda Item 7).

The Members of the Trust:-

- NOTED the action items from previous Meetings of the Trust.

### 4. Starred items on the agenda | Items to be unstarred / Resolution to note starred items which will not be discussed at the meeting (Agenda Item 4)

Members of the Trust were able to request prior to or during the meeting for any starred agenda item to be unstarred for discussion during the meeting.

The Chair requested that the Internal Audit Report – Procurement and Contracts Management (Agenda Item 12) be unstarred.

Mr Bailey via the Chair requested that the WHS Quarterly Report (Agenda Item 10) be unstarred.

The remaining starred items on the agenda were taken as read and noted accordingly.

The Members of the Trust:-

- NOTED the starred items on the agenda.

### 5. Chair's verbal report (Agenda Item 5)

The Chair noted:

- a revised Financial Budget report (Agenda Item 8) was circulated to Members of the Trust yesterday.
- there had been delay with the onboarding for the use of BoardEffect, so it had not been possible to use the system for the papers for this meeting.
- Ms Sherry has agreed to continue as interim chair of the Tenant Selection Committee.

The Chair provided a confidential update on the recruitment in progress for the vacant positions on the Trust.

There was a suggestion that the October Meeting of the Trust be held online; and for the December Meeting in Public to be held at either Sub Base Platypus or Cockatoo Island / Wareamah.

The Members of the Trust:-

- NOTED the Chair's verbal report.

## 6. Executive Director's Report (Agenda Item 6)

The report covered major matters and operations of the Harbour Trust since the Meeting of the Trust held on 13 June 2024.

Additionally, Ms Carding reported on the following –

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### CONFIDENTIAL DISCUSSION

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- As reported in the Executive Director's paper for this agenda item, Middle Head Oval and its associated amenities building are managed by Mosman Council under a licence agreement with the Harbour Trust. Mosman Council has submitted a planning application for a proposed new amenities building which the Harbour Trust placed on public exhibition from 28 June 2024, with a planned closing date of 29 July 2024.

On 16 July 2024 the Harbour Trust became aware that Council's Heritage Report had an error, as it did not identify the Commonwealth Heritage listing for the place. The Harbour Trust immediately brought this to the attention of Council who advised they wished to update their application with revised information. The Harbour Trust then placed the public consultation on temporary hold, advising the community that revised information would be made available on 26 July 2024. A further 28 days of public exhibition has been provided, until 23 August 2024.

The application can be determined under the Executive Director's delegation. Members of the Trust will be kept informed about the outcome of public consultation and assessment.

- Due to time constraints, the outcomes of the staff engagement survey were not discussed in detail at the June Meeting of the Trust. However it was noted at that meeting that the overall engagement and enablement scores had declined since last year's survey. It was agreed at the June meeting that the best way forward was for management to develop an action plan to address the areas for improvement.

Ms Carding advised that an action plan has been developed (included as an attachment for this agenda item). The plan includes actions such as:

- work has been undertaken with delegations to streamline processes;
- information sessions facilitated by the Executive Director on the master plans have been held with each of the directorates;
- a 'lunch and learn' on the Corporate Plan has been scheduled;
- a new finance system is being implemented; and
- all the Executives have been asked to do a 'deep dive' into their teams to understand and address specific issues.

The Members of the Trust were interested to know what opportunities there are for staff to:

- take on acting arrangements and associated delegations;
- whether it is possible for staff to do job exchanges with other similar organisations;
- block out times to undertake training and development, ensuring no meetings are scheduled for those times

The Members of the Trust asked that they be kept informed.

The Members of the Trust:-

- NOTED the Executive Director's report.

## 7. Draft Rental Subsidy Policy – resubmission (Agenda Item 7)

Ms Maree Doherty, Head of Property and Leasing Management was in attendance for this agenda item.

The draft rental subsidy policy was presented to Members of the Trust at the June meeting. Following discussion at that meeting, the draft policy was revised to reflect comments received from Members. These included: adding a clearer purpose for the policy at its start; increased clarity of the tables and process, including eligibility criteria; minimising the administrative burden and applications that are unlikely to be successful; including ‘meanwhile’ use and Harbour Trust aims for site activation and partnerships; and appropriate discretion for the Members to use in exceptional circumstances.

It was noted that a minor amendment was required to remove the reference to “essential” criteria in the draft policy.

A draft form for potential applicants was also requested and was provided at the meeting.

The Members of the Trust indicated that they found the revised policy to be much clearer than the previous version.

In accordance with the Harbour Trust’s Comprehensive Plan and the *Environment Protection and Biodiversity Conservation Act 1999* regulations, the policy will need to be on public exhibition for 28 days.

The Members of the Trust:-

- APPROVED the revised draft Rental Subsidy Policy, with the minor amendment referred to above, for public exhibition.

## 8. Visitor and Audience Research Report (Agenda Item 9)

Ms Kathryn Roberts, Director Marketing and Visitor Experience was in attendance for this agenda item.

Ms Roberts reported that as part of master planning for Cockatoo Island / Wareamah and North Head Sanctuary, the Harbour Trust engaged with an external consultant to undertake visitor and audience research.

The research was conducted over a period of four months from April to July 2024 and focused on four Harbour Trust sites - Cockatoo Island / Wareamah; Headland Park; North Head Sanctuary and Sub Base Platypus.

The aim of the research was to better understand visitors and non-visitors across Harbour Trust destinations on Sydney Harbour, including: attitudes, preferences and behaviours; where visitors are coming from; drivers for visitation; and identifying gaps/opportunities in the market.

Key findings from the research have been presented to the Executive team and to Harbour Trust staff. An action plan workshop has been scheduled for August to help the Marketing and Visitor Experience team to draw out actionable insights from the research and set short/medium/long term goals.

Members of the Trust agreed that the research was very helpful.

There was discussion about potentially exploring options for increasing awareness that are not high cost but have a high impact, such use of Instagram and Tripadvisor both which can be influential enough to ‘create’ a tourism destination. The value of publicity in lieu of advertising was also discussed; and options such as using photographers to take shots of “Sydney’s best kept secrets”. Linking in with festivals and cruises; and recruiting tourism interns were also suggested.

There was also discussion about some of the challenges, for instance, it is cheaper for people from western Sydney to travel to the Central Coast than it is for them to travel to Cockatoo Island / Wareamah.

Ms Roberts advised that an action plan will be developed and will be presented to the Members of the Trust in a few months' time.

The Members of the Trust:-

- NOTED the executive summary of the report;
- REQUESTED that attachments referenced in the research report be circulated to the Members.

#### **9. Financial Budget 2024-2025 (Agenda Item 8)**

Ms Bernadette Or, Chief Operating and Financial Officer was in attendance for this agenda item.

A revised version of the report for this agenda item was circulated to the Members of the Trust yesterday.

Ms Or reported that since providing a preliminary budget to the Members at the June meeting, a detailed bottom-up budget process has taken place based on year-to-date trends, the latest environmental outlook and the Corporate Plan measures for 2024-25.

When developing this proposed budget, a conservative approach was adopted. This is because the Harbour Trust's current capacity in terms of people and systems and processes is limited. The aim is that the new financial year will set the foundation for sustainable operations going forward.

It was noted that an operating loss of \$14.3 million was approved by the Department of Finance as noted in the March 2024 Federal Budget.

The Members of the Trust:-

- APPROVED the proposed operational budget for FY25
- APPROVED the proposed minor capital budget for FY25 for capital expenditure outside of the Commonwealth funding
- NOTED that the operating deficit (before depreciation) and the minor capital budget are to be funded from existing cash reserves
- NOTED that there is sufficient free cash at 30 June 2024 to fund the operating deficit and minor capital budget
- NOTED that all other projects and programs are funded by Government appropriations and equity injections.

#### **10. WHS quarterly report (Agenda Item 10)**

The Chair advised that Mr Bailey's query was in relation to the listing of a 77% 'favourable response to for a positive safety culture' in the recent staff engagement survey as an achievement, noting that we should expect this to be higher.

Ms Carding advised detailed responses to safety questions were higher regarding risks, but lower for workplace concerns giving this average answer of 77%. There has been an accompanying psychosocial survey and the complete results from that second survey, were not yet available but they will be included in a future WHS report, which should help management find ways to improve this response.

The Members of the Trust:-

- NOTED the WHS quarterly report.

## **11. Internal Audit Report – Procurement and Contracts Management (Agenda Item 12)**

The Chair had requested that this item be unstarred.

Ms Bernadette Or was in attendance for this agenda item.

A three-year Internal Audit Program was developed 2023. The first piece of the program was aimed at assessing the strength of internal control and compliance with the Harbour Trust's Procurement and Contract Management policies and procedures. The audit was conducted by Deloitte and their report (included as an attachment to the paper for this agenda item) includes audit findings and recommendations, and Management responses and agreed actions and timeframes.

The Chair queried whether the timeframes for the agreed actions for high-risk items identified in the report could be brought forward. Ms Or advised that the timeframes are due to the implementation of the new finance system, but that where possible, actions were already being addressed.

Ms O'Mara noted there were also some actions from the previous year's ANAO report that were still in progress.

The Chair requested that the minutes from the Audit & Risk Committee be included with the papers for Meetings of the Trust.

It was also requested that Ms Or prepare a summary document as mechanism to provide oversight for the Members of the Trust of the audit findings that are currently open.

The Members of the Trust:-

- NOTED the findings, recommendations and management's responses and actions.
- REQUESTED that the minutes from the DCCEEW Audit & Risk Committee are made available to Members
- REQUESTED that a summary of open audit findings is provided to the Members

## **12. Finance Report – June 2024 (Agenda Item 11)**

As a starred item, the report prepared for this agenda item was taken as read. No discussion was required for this agenda item.

The report provided the Harbour Trust's year-to-date (end of June 2024) financial performance and cash position.

As at the end of June, on a Financial Reporting basis, the Preliminary Operating Deficit at \$1.7 million was \$3.1 million better than the budgeted deficit of \$5 million. Excluding the impact of depreciation, the Harbour Trust reported a cash/operating surplus of \$1.7 million. The YTD positive performance was driven by continued strong results in leasing activities, tours and accommodation, higher return from investments and savings in labour costs during the Financial Year.

The Members of the Trust:-

- NOTED the Finance Report.

## **13. Major Projects Report (Agenda Item 13)**

As a starred item, the report prepared for this agenda item was taken as read. No discussion was required for this agenda item.

The report provided the Members of the Trust with a progress report on -

- Master planning for Cockatoo Island / Wareamah
- Progress on Backlog Capital Works

- Progress on Middle Head / Gubbuh Gubbuh
- Progress on Sub Base Platypus Torpedo Factory
- Progress on Repairs & Maintenance Program
- Progress on Maintenance & Infrastructure Renewal Program

The Members of the Trust:-

- NOTED the Major Projects Report.

#### **14. Site Dashboards (Agenda Item 14)**

As a starred item, the site dashboards for six Harbour Trust sites for the quarter ended 30 June 2024 were taken as read. No discussion was required for this agenda item.

The Members of the Trust:-

- NOTED the Site Dashboards for the quarter ended 30 June 2024.

#### **15. Meeting Planner 2024 (Agenda Item 15)**

As a starred item, the Meeting Planner prepared for this agenda item was taken as read. No discussion was required for this agenda item.

The Members of the Trust:-

- NOTED the Meeting Planner for 2024.

#### **16. *In camera* session (Agenda Item 16)**

The Members of the Trust did not hold an *in camera* session.

**Meeting closed at 1.00pm.**