



SYDNEY HARBOUR FEDERATION TRUST

168th MEETING OF THE TRUST

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

Thursday 14 December 2023 at 11.30am – 3.00pm

MINUTES

True & Correct Record of the 168th Meeting of the Trust

(private and confidential information has been removed where indicated)

Prof. Tim Entwisle, Chair



Minutes of the 168th meeting of the Sydney Harbour Federation Trust held on Thursday 14 December 2023.

Present

Prof. Tim Entwisle	Chair
Mr Terry Bailey	Member
Ms Chantelle Fornari	Member
Prof. the Hon. Pru Goward AO*	Member
Ms Alison Page	Member

* *Attended via videoconference*

Apologies

Ms Alex O'Mara	Member
Ms Ann Sherry AO	Member

In Attendance

Ms Janet Carding	Executive Director
Ms Maree Doherty (<i>partial attendance</i>)	Head of Property and Leasing Management
Mr Graham Izod (<i>partial attendance</i>)	Director Assets and Parklands
Ms Bernadette Or (<i>partial attendance</i>)	Chief Operating and Financial Officer
Ms Kathryn Roberts (<i>partial attendance</i>)	Director Marketing and Visitor Experience
Mr Daniel Sealey (<i>partial attendance</i>)	Director Planning
Ms Rosemary Southcombe	Secretariat

The meeting commenced at 11.30am and was held in private due to confidential matters on the agenda. The meeting was held in person and via videoconference.

1. Welcome (Agenda Item 1)

The Chair, Prof. Tim Entwisle, opened the meeting with an acknowledgement of the Traditional Custodians and Owners of the Harbour Trust lands and paid respects to Elders past, present and emerging.

Attendees were welcomed.

The Chair thanked Ms Alison Page for acting in the role as Chair for the past five months.

a) Apologies

Due to their very recent appointments (on 28 November 2023), Ms Alex O'Mara and Ms Ann Sherry AO sent their apologies for being unable to attend today's Meeting of the Trust as they both had prior engagements.

b) Introductions

As there are now four new Members of the Trust (including the Chair), Members in attendance at the meeting introduced themselves and provided a verbal summary of their professional backgrounds. In their absence, the Chair shared the biographies provided by Ms O'Mara and Ms Sherry.

It was noted that there is currently one vacancy on the Trust.

c) Declarations of Interest

The following updates were provided at the meeting:



- Mr Terry Bailey – add: Executive Dean, College of Sciences and Engineering
- Ms Alison Page – add: National Trust of Australia (NSW)

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.

2. Chair’s verbal report (Agenda Item 2)

As this was the new Chair’s first attendance at a Meeting of the Trust, the new Chair spoke of his viewpoint that the role of the Trust (board) was one of partnership with Management, and also with the Minister’s office. The Trust’s role is to provide Management with support in relation to strategic matters, not to be involved in the operational details of the organisation.

The Members of the Trust:-

- NOTED the Chair’s verbal report.

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.

There are three items in progress –

1. At a previous meeting, the Members of the Trust provided initial feedback on potential partners to deliver the Harbour Trust’s strategic goals for Cockatoo Island / Wareamah. It was agreed that Ms Carding would speak with Members of the Trust individually to canvass their suggestions for potential partnerships from their respective contacts.
As there are now four new Members of the Trust, Janet will speak with each of the new Members about this matter.
2. Members of the Trust agreed at their meeting held on 19 October 2023 that Management should proceed with the recommendations presented at the meeting in relation to applying for ‘specific listing’ for Sydney Harbour Foundation Management Limited. However, see Agenda Item 9 below for an update.
3. Following discussion at the Meeting of the Trust held on 19 October 2023 regarding the Harbour Trust’s Cost Recovery Implementation Statement (CRIS), it was agreed that the Executive Director would work with the Planning team to evaluate the time taken to process liquor permits to determine whether the fees charged by the Harbour Trust are sufficient. The Executive Director will report back to the Members of the Trust in the new year.

The Members of the Trust:-

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

4. Executive Director’s Report (Agenda Item 4)

The Executive team members were in attendance for this agenda item, with the exception of Ms Libby Bennett, Director Heritage & Design.

The Executive Director’s report was taken as read and Ms Carding spoke to it.

There was general discussion about the response rates the Harbour Trust receives in relation to public consultation and surveys, and whether these are benchmarked to enable the Harbour Trust to evaluate whether response rates are successful or not. It was noted, for example, that the response rate for the recent survey sent by the Property Team to Harbour Trust tenants was 49% for residential tenants (the

previous tenant survey yielded a 35% response). It was noted that providing a comparison with previous responses to public consultation / surveys is beneficial for evaluating response rates.

Ms Carding highlighted the following two matters –

1. Snapper Island

CONFIDENTIAL DISCUSSION

Snapper Island is currently vacant and closed to the public as the buildings are unsafe for occupation and their condition continues to deteriorate. Significant repairs and remediation of contamination would be required before the island could be opened to the public.

Harbour Trust staff recently met with representatives of the Department of Finance (Finance) who indicated the Finance is willing to work with the Harbour Trust to develop a plan for the remediation and divestment for Snapper Island.

Finance is preparing a draft Heritage Management Plan for the island for public exhibition in early 2024.

A paper about Snapper Island's future will be prepared for consideration at the Members of the Trust's meeting in February 2024.

2. Philanthropy Strategy

At the previous Meeting of the Trust it was agreed that the Executive Director would begin the process for the development of a Philanthropy Strategy.

The Executive Director and the Chief Operating and Financial Officer met with Noble Ambition (a recommended fundraising consultancy) to discuss the Harbour Trust's requirements in term of generating philanthropy and fundraising revenue. A proposal has been prepared by Noble Ambition and was included with the Executive Director's report.

Noble Ambition's proposal is to deliver a Strategic Fundraising Assessment which would include: a market assessment (providing an overview of the current philanthropic market and the Harbour Trust's position within the market); an internal assessment (key considerations for establishing and growing fundraising programs, including the role of leadership); and recommendations to the Harbour Trust.

The Members of the Trust discussed that for the Harbour Trust to be in a position to stand out in a competitive philanthropy /fundraising environment, it was vital that the organisation has an effective philanthropy strategy in place. There was unanimous support from the Members of the Trust to engage Noble Ambition to undertake this work. In the initial stages, the development of a philanthropy strategy will concentrate on the Harbour Trust's sites with master plans in place and will then look at the remaining sites.

The Members of the Trust:-

- NOTED the Executive Director's Report.
- AGREED that Management engage Noble Ambition to undertake the work to develop a Strategic Fundraising Assessment for the Harbour Trust.

5. North Head Sanctuary – update on community consultation feedback (Agenda Item 5)

Ms Kathryn Roberts, Director Marketing and Visitor Experience, was in attendance for this agenda item and spoke to the report prepared for this agenda item.

The Harbour Trust conducted a six-week consultation campaign in relation to the North Head Sanctuary draft master plan (from September - October 2023) which included public exhibition of the draft master plan and community drop-in sessions, as well as an advertisement and media campaign.

The Harbour Trust received feedback from 85 unique respondents (86% of submissions were received from individuals and 14% were received from representatives of interested organisations). When asked about their support for the North Head Sanctuary Draft Master Plan, 71% of respondents were either supportive or very supportive, 16% of respondents were neutral, and 13% of respondents were unsupportive or very unsupportive.

The Members of the Trust noted in the consultation feedback document that there is a high level of interest in an ecology and environmental centre. The Harbour Trust will need to consider what the business case for an environmental centre is, and its financial viability.

There was also general discussion by the Members of the Trust about how to engage with people nation-wide to ensure that respondents include others in addition to those who reside in immediate areas to sites.

The proposed next steps are:

- a) To send the Consultation Outcomes Report to the Harbour Trust's Community Advisory Committee before finalising the report for public release, together with the publication of submissions.
- b) Given the broad support for the draft master plan, no significant further revision is proposed. Some minor amendments and clarifications will be needed to address some of the comments received.

A draft final version of the master plan and accompanying report will be provided for Trust Members' endorsement in early 2024.

The Members of the Trust:-

- NOTED the community feedback and the Harbour Trust response as outlined in the draft Consultation Outcomes Report.
- NOTED the next steps towards finalising the Consultation Outcomes Report and the Draft Master Plan.

6. Business Case for Cockatoo Island / Wareamah and North Head Sanctuary (Agenda Item 6)

Ms Carding provided an update on the requirement, procurement and development of the detailed business case for Cockatoo Island / Wareamah and North Head Sanctuary.

CONFIDENTIAL DISCUSSION

The Harbour Trust has procured Mott MacDonald Australia Pty Ltd, the master planning contractor for Cockatoo Island / Wareamah, to develop the business case. Mott MacDonald commenced this work last week.

Milestones for Mott MacDonald deliverables are:

- a) 50% of the business case to be submitted to the Harbour Trust for review on 18 December 2023
- b) Final business case to be submitted to the Harbour Trust on 16 February 2024

Ms Carding will keep in regular contact with the Chair during the business case process.

The Members of the Trust:-

- NOTED the progress of the business case for Cockatoo Island / Wareamah and North Head Sanctuary.

7. Middle Head / Gubbuh Gubbuh Master Plan (Agenda Item 7)

Mr Daniel Sealey, Director Planning, joined the meeting and spoke to the report prepared for this agenda item.

Mr Sealey advised that the draft master plan for Middle Head / Gubbuh Gubbuh is ready for endorsement by the Members of the Trust and provided the following background.

In March - May 2023, the Harbour Trust publicly exhibited an initial Draft Master Plan for Middle Head/ Gubbuh Gubbuh. Following consideration of community feedback, the Harbour Trust prepared a revised version of the Draft Master Plan addressing key issues raised in submissions. The revised Draft Master Plan was exhibited in August-September 2023. There was broad support for the revised Draft Master Plan; the outcomes report was included with the report for this agenda item.

Some sensitive issues remain for some, including Mosman Council's proposal to upgrade the change rooms (due to the current lack of gender equity of the change rooms); and the proposed removal of the timber barracks to create parkland.

Another issue is NSW National Parks and Wildlife Service's (NPWS) proposed Environment Centre which would be built on NPWS land. Some members of public are of the view that an Environmental Centre should instead be on Harbour Trust land.

Given the broad community support for the revised Draft Master Plan, no substantive changes to the Plan are proposed, however some minor editing and clarifications are recommended to improve readability of the document.

Following adoption of the master plan by the Members of the Trust, the Harbour Trust will then prepare any detailed development applications, and major components will be publicly exhibited for community feedback. The proposed removal of the two-storey barracks will be referred to the Minister for consideration under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). The EPBC process will include community consultation.

Any proposal by Mosman Council for works to the Middle Head Oval change facilities will also be subject to public consultation.

The Members of the Trust:-

- NOTED feedback from the community and CAC about the Draft Master Plan.
- NOTED that minor post-exhibition changes (editing and clarifications) are recommended to improve readability of the master plan.
- AGREED to adopt the master plan with the recommended post-exhibition changes.

8. Request to waive rent arrears (commercial tenant) (Agenda Item 8)

Ms Maree Doherty, Head of Property and Leasing Management, joined the meeting for this agenda item.

The Members of the Trust were asked to review the recommendations of the Tenant Selection Committee (TSC) to waive four months' rent arrears for a commercial tenant due to the financial impact they experienced during the Night at the Barracks 2022 concert series. The TSC has recommended that the arrears be waived. Ms Fornari is the Chair of the TSC and confirmed that the TSC supports the recommendations.

As the debt is in excess of \$10,000, in accordance with the Harbour Trust's Instrument of Delegation No 8 of 2020 Schedule 3, the Chair of the Trust must give approval for the debt to be waived.

The Members of the Trust:-

- APPROVED the recommendation of the TSC to grant a waiver for the accumulated unpaid rent in relation to a commercial tenant.

9. Deductible Gift Recipient Specific Listing (Agenda Item 9)

Ms Carding spoke to the report prepared for this agenda item.

Ms Carding provided an update on the progress towards seeking Deductible Gift Recipient (DGR) specific listing status for Sydney Harbour Foundation Management Limited (the Foundation), of which the Harbour Trust is the sole member, and the recommendations from Gilbert + Tobin.

At the August Meeting of the Trust, Members were advised that Gilbert + Tobin has suggested the specific listing submission adopt a dual approach that requests specific listing for both the Harbour Trust and the Foundation. If both entities are successful in obtaining specific listing, they can work with each other to overcome their individual limitations. That is:

- as a whole of organisation DGR, the Harbour Trust would be able to receive tax deductible gifts from many donors (including the general public), but not from charitable trusts or philanthropists and corporates operating public and private ancillary funds which are required to or have chosen to restrict their giving to charitable DGRs; and
- as a charitable DGR, the Foundation would be able to receive gifts and grants from charitable trusts and from private and public ancillary funds, being a popular vehicle for philanthropy from corporates and high wealth individuals and families.

It was agreed at the August Meeting of the Trust that the Executive Director would discuss this approach with the Directors of the Foundation at their next meeting to seek their endorsement, and report back to the Members of the Trust.

The Directors of the Foundation met on 6 December 2023 and endorsed this approach and the next steps in the process.

Gilbert + Tobin advised that the first step is for the Foundation to acquire charitable status with the Australian Charities and Not-for-profits Commission (ACNC). Once charitable status is acquired, a submission may then be made to the Assistant Minister for Competition, Charities and Treasury for both entities to become specifically listed. The Foundation will seek charitable status through the ACNC with the assistance of Gilbert + Tobin.

Gilbert + Tobin has also advised that to secure charitable status, a new constitution for the Foundation would be required to bring the constitution's provisions in line with current best practice. A draft of the new constitution was included with the report for this agenda item. Under clause 29 of the Existing Constitution, the constitution may be altered by way of a special resolution of the Member (i.e. the Harbour Trust).

As the Foundation's purpose will change, Gilbert + Tobin has also recommended that the ACNC would look favourably on 'Management' being removed from the Foundation's name.

Following discussion, particularly around appropriate wording for the purpose of Foundation, the Members of the Trust indicated their agreement with Gilbert + Tobin's recommendations. As specific listing enables entities to receive funds and use them as they see fit, it was requested that management develop a policy to guide the relationship between the Trust and Foundation in future, and in particular for the management of philanthropic funds.

The Members of the Trust:-

- APPROVED Gilbert + Tobin's DGR specific listing proposal for both the Foundation and the Harbour Trust;

- NOTED the Foundation, with assistance from Gilbert + Tobin, will apply for charitable status with the ACNC;
- PASSED the two special resolutions -
 1. replacing the Foundation's existing constitution dated 26 June 2019 with that proposed by Gilbert + Tobin;
 2. changing the name of the Foundation from 'Sydney Harbour Foundation Management Limited' to 'Sydney Harbour Foundation Limited'; andand APPROVED the Chair to sign the record of the special resolutions.
- APPROVED additional legal expenses of up to \$10,000 to action above.

10. Finance Report (Agenda Item 10)

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

The October 2023 report on the Harbour Trust's financial performance was provided to the Members of the Trust with the paper for this agenda item. As at the end of October, the operating Deficit at \$498K was \$1.8m better than the budgeted position of \$2.3m. Excluding the impact of depreciation, the Harbour Trust reported an operating surplus of \$783K. The YTD positive performance was driven by continued strong results in leasing activities, events and accommodation, higher return from investments and savings in labour costs.

The report prepared for this agenda item was taken as read.

The Members of the Trust:-

- NOTED the Finance Report.

11. Risk Oversight and Management and Systems of Internal Control (Agenda Item 11)

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

The report informed the Members of the Trust of the Harbour Trust's program of activities in relation to risk oversight and management; and systems of internal control. As part of the closing off the FY22-23 risks assessment, the Chair of the Department of Climate Change, Energy, the Environment and Water (DCCEEW) Audit Committee issued a letter to the Chair of the Harbour Trust to provide his views of the Harbour Trust's systems of risk oversight and management and systems of internal control.

The report for this agenda outlined the Harbour Trust's program of activities in relation to the issues raised and was taken as read.

The Members of the Trust:-

- NOTED the Risk Oversight and Management and Systems of Internal Control report.

12. Community Advisory Committee & First Nations Advisory Group – updates (Agenda Item 12)

The report prepared for this agenda provided the Members of the Trust with the key updates and community sentiment from the General Community Advisory Committee meeting held on 22 November 2023; and the First Nations Advisory Group meeting held on 19 October 2023.

The report was taken as read.

The Members of the Trust:-

- NOTED the Community Advisory Committee & First Nations Advisory Group update report.

13. Major Projects Report (Agenda Item 13)

Mr Graham Izod, Director Assets and Parklands, was in attendance for this agenda item. The report prepared for this agenda item was taken as read.

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

- Master planning for Cockatoo Island/Wareamah
- Master planning for North Head Sanctuary
- Progress on Backlog Capital Works
- Progress on 10 Terminal & Parklands
- 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. Induction of new Members of the Trust & Meeting Planner for 2024 (Agenda Item 14)

The Meeting Planner for 2024 was provided to the Members of the Trust with the papers for this meeting.

Meetings for the year have been scheduled, as have two Strategy Days – one in March and one in November.

An induction day has also been scheduled for the new Members of the Trust in January. This will give the opportunity for the new Members to meet individually with Executive team members and to undertake tours of some of the Harbour Trust sites accompanied by key staff.

There was discussion about the number of Trust Meetings and the number and length of reports. It was agreed to adhere to the schedule of meetings for 2024. The Executive Director will review the agenda for Meetings of the Trust to determine whether it will be possible to reduce the number and/or length of reports provided for the meetings.

The Members of the Trust:-

- NOTED the 2024 meeting planner.

15. *In camera* session (Agenda Item 15)

The Members of the Trust held an *in camera* session. No staff were in attendance for this agenda item.

Meeting Closed – 3.00pm