# SYDNEY HARBOUR FEDERATION TRUST

105<sup>th</sup> MEETING

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

16 June 2016

MINUTES

True & Correct Record of the 105<sup>th</sup> Meeting of the Sydney Harbour Federation Trust

. . . . . . Chairman

**DRAFT UNTIL SIGNED** 

e.

Minutes of the 105<sup>th</sup> meeting of the Sydney Harbour Federation Trust held in the Boardroom, Sydney Harbour Federation Trust offices, Building 28, Best Ave, Mosman at 10.00am on 16 June 2016.

Chairman

Member

Member

Member

Member (left at 1.15pm)

#### Present

Mr Kevin McCann AM Mrs Jean Hay AM Mr Joseph Carrozzi Ms Sandra Hook Ms Sally Herman

#### In attendance

Dr Susan Culverston	Acting Executive Director
Mr David Llewelyn	Acting Director Corporate Services, CFO
Ms Jane Page	Secretariat
Ms Eliza Beashel	Director, Marketing, Communications and Visitor
	Experience (Agenda Item 6 only)
Mr Jamie Lonie	Director, Asset Management and Operations
	(Agenda Item 6 only)
Mr Wayne Wilson	Director, Property and Business Development
	(Agenda Item 6 only)
Apologies	

Ms Josephine Cashman

Member

The meeting commenced at 10.00am on Thursday 16 June 2016.

## 1) Introduction

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

Moved: S Hook

Seconded: J Carrozzi

The Chairman welcomed all to the meeting and acknowledged the traditional owners. In particular, he welcomed the three recently appointed Trustees – Joseph Carrozzi, Sally Herman and Sandra Hook. He advised that there were currently two vacancies on the Board, the appointments having been caught up in Caretaker mode with the upcoming federal election.

- b) Apologies Ms Josephine Cashman's apology was noted.
- c) The Declarations of Interest. The changes were noted.

## 2) Minutes of the Meeting held on 22 April 2016 (Agenda Item 2)

The minutes from the 104<sup>th</sup> meeting held in private on 22 April 2016 were considered.

The Trust RESOLVED to accept the minutes, from the 104<sup>th</sup> meeting of the Trust held in private on 22 April 2016.

Moved: J Hay

Seconded: K McCann

## **Matters Arising**

*Trend Analysis* – as reflected on Trip Advisor was predominately in regard to food and beverage on Cockatoo Island. Visitation to the Island is seasonal and this can prove

challenging for food and beverage facilities on the island. Monitoring of issues raised will be ongoing.

*Sydney Harbour Conservancy* – has DGR status. After discussion, it was agreed that the Conservancy should be retained and the Trust should also look to partnerships with private enterprise as a priority.

### 3) Draft Budget 2016-2017 (Agenda Item 3)

Before considering the draft budget for 2016-2017, the financial report was discussed. Mr Llewelyn presented the financial report and draft budget 2016-2017 to the meeting.

### **Financial Report**

At the end of April the Harbour Trust had a surplus of \$1.367m with an end of year forecast surplus of \$0.688m. This compares to the budgeted end year result of a \$0.058m surplus. There have been improvements in a number of revenue streams including merchandise and tours, particularly the revised school tour program which has been well accepted by schools. The Harbour Trust's end year position will see an improved outcome from that budgeted. However, the current surplus will reduce over the remaining two months due to heightened activities as a result of the maintenance program, Biennale event and management plan program expenses. Parking, commercial leasing and residential leasing revenues are tracking above budget.

Additional grant funding spread over 3 years has been received for the 3<sup>rd</sup> Quarantine cemetery at NH and the convict precinct on Cockatoo Island.

### Draft Budget 2016-2017

The preliminary budget was presented at the Board meeting in February. The budget 2016-2017 being presented was a revised and refined version of that draft budget. The Harbour Trust continues to face challenging economic times due to delays in presenting new commercial leasing stock into the market place, lower interest yields and higher repair and maintenance costs as a result of aging properties and infrastructure assets. With interest yields at an all-time low, it is critical that the Harbour Trust moves quickly to refurbish key property assets with the aim of increasing its leasing stock and therefore realising improved yields on its asset base.

There was discussion as Mr Llewelyn explained the assumptions on which the budget was formed. A conservative approach has been taken with licensing revenue. It was agreed that a review of the licensing revenue in the budget needs to be undertaken with an increase in the forecast revenue requested through a more proactive approach being taken and the setting of stretch targets. Management will discuss the increase and review the budget accordingly.

The Trust RESOLVED to approve the Budget for 2016-17 as presented but with an increase in the revenue from licensing.

Moved: J Carrozzi

Seconded: S Herman

#### 4) Chairman's Report (Agenda Item 4)

The Chairman delivered a verbal report. The report was a précis for newly appointed Trustees and a general update.

The Chairman advised that there are currently two vacancies on the Board. The appointment to these positions has been held up due to the pending Federal election and the government being in caretaker mode. It is hoped that once the election results are known, the appointments will be made.

There was ongoing discussion regarding the future of the Harbour Trust after 2033. Various models and scenarios will need to be examined. Further discussion will be required with the incoming Minister, once appointed following the election.

The Chairman reiterated about the inability to access the Markham Close funds. Management is continuing to discuss with the Department of Finance procedures for obtaining higher interest rates from the investment.

Snapper Island remains the responsibility of the Department of Finance. It is understood that Department has recently undertaken some decontamination and remediation work. In light of the Harbour Trust's history of remediation of contaminated sites, the desirable situation would have been for the island to be handed to the Harbour Trust with funding for the Harbour Trust to remediate the site.

The Harbour Trust is part of the Department of the Environment's Reconciliation Plan which is in the process of being reviewed.

The Harbour Trust's Executive Director, Mr Geoff Bailey, has requested an extension of his secondment to Parks Australia for a further six months. Trustees meet in private to discuss this request.

The Trust RESOLVED in accordance with s42 of the *Sydney Harbour Federation Trust Act* to approve the appointment of Dr Susan Culverston to act in the position of Executive Director during Mr Bailey's absence from 19 July 2016 until 18 October 2016 The Chairman will write to the Minister, after the election, seeking approval under s 42(2) of the *Sydney Harbour Federation Trust Act.* 

Moved: J Hay

Seconded: S Hook

## 5) Acting Executive Director's Report (Agenda Item 5)

The report was taken as read.

There was discussion of the report and the preliminary feedback from the recent Planning Open Days.

## 6) Work Health and Safety Report (Agenda Item 9)

The report was taken as read. Policies submitted for approval were carried over to the September Board meeting.

## 7) Governance, Risk and Compliance (Agenda Item 7)

The report was taken as read.

The Harbour Trust has Compliance and Risk Management Frameworks in place to support and continually improve the achievement of its Governance responsibilities, ensure compliance with organisational and legislative requirements and support the achievement of its strategic, operational and project objectives at both a Trust and Business unit level. The newly appointed Safety Advisor is reviewing risk and WH & S matters within the organisation.

## 8) Community Advisory Committee Update (Agenda Item 8)

The report was taken as read.

## 9) Government Budget Policy (Agenda Item 10)

The report was taken as read.

## 10) Business Development Strategy (Agenda Item 6)

The report was taken as read.

Ms Beashel, Messrs Lonie and Wilson joined the meeting. Mr Wilson presented to the meeting.

The report was an update for Trustees on the activities undertaken since the strategy discussions at the Board meeting on 22 April. It was agreed that a more pro-active approach to licensing matters is required as well as ways of attracting more visitors to Harbour Trust sites throughout the year and not just during events. Commercial leasing is the major revenue stream for the Harbour Trust and is the major focus of the Business Development Strategy.

#### **Other Business**

The Chairman has written letters of thanks to the Hon Leo McLeay and Mr Rohan Jeffs for their input to the Trust during the five years of their appointments as Trustee. In particular, thanks were given to Mr McLeay for his work as acting Chairman in the Chairman's absence and the work undertaken as Chairman of the Heritage Subcommittee. Mr Jeffs was thanked for the three plus years he served as Chairman of the Audit, Risk and Compliance Committee.

Throughout the meeting, there was background discussion to enlighten new Trustees of Harbour Trust matters, not necessarily requiring covering reports or minuting.

There being no further business, the meeting closed at 1.45pm.