

Board Meeting in Public – Community Questions

Royal Australian Navy Donation

Question

I would like to enquire as to whether the SHFT has any agreement with the RAN regarding donation of surplus/obsolete materials and machine tools to the volunteer workshop?

We have one formal agreement, put in place in 2001 where the Harbour Trust acquired the former HMAS Sydney Captain's launch. As part of this agreement, the Harbour Trust would restore this vessel and this is still in place today and is moored on Cockatoo Island. This is maintained by our Restoration Volunteers.

There are currently no other formal agreements. Over the years, the Harbour Trust has developed a relationship with members of the Navy historical society based at Spectacle Island and the Harbour Trust hopes that they may acquire relevant historical artefacts that were once on our sites.

HEADLAND PARK: BUS SHELTER & CHOWDER BAY LIFT

Questions

When will a bus shelter be installed opposite the Naval Base, below Burnt Orange?

What are the specific reasons why the Harbour Trust has not done anything about installing shelters at the bus stops on Middle Head Road, Mosman, to and from Headland Park, ASOPA and Chowder Bay?

These bus shelters remain as medium priority for the Harbour Trust. No funding is currently allocated.

Chowder Bay - proposed lift - What is the current situation of the foreshadowed lift?

The Harbour Trust's Management Plan for Chowder Bay identifies the possibility of a future lift to improve access to the waterfront and wharf. Any such lift would be sensitively designed, and located close to buildings, to minimise impacts on views and heritage fabric. The Harbour Trust is considering potential funding options for a lift. If funding becomes available then the proposal would be exhibited for public comment, with all submissions considered before a final decision is made on whether to proceed. The Harbour Trust expects to be able to clarify the status of this proposal by early 2019.

MIDDLE HEAD

Middle Head - Sports Pavilion and Playground Concept & Barracks Buildings

Questions

Middle Oval Pavilion - Since the 29 June 2018 Board meeting in public and generalised advice that Trust is waiting for Mosman Council's formal application if any: Has there been any further communication with Mosman Council as to its intentions or has there been any firming-up by Council as to its concept plans for the Pavilion?

Is it still the intention that the existing Pavilion be demolished and its purpose be relocated to a new building replicating the western-most Barracks building, (equivalent Barrack footprint, envelope), open western aspect ?

Headland Park Barracks - What is the current state of play on the Management Plan's anticipated demolition of the Barracks and return of the area to be PARKLAND? Is Trust committed to returning this area to be PARKLAND?

Children's Playground - Is it still intended this be constructed adjacent to a re-built Pavilion?

Mosman Council's *Contributions Plan 2018* identifies future funding for a replacement sports pavilion at Middle Head Oval and an associated new playground – as a 'Medium' priority (i.e. 3-5 years). These are identified as desired outcomes in the Harbour Trust's Management Plan for Middle Head. This new infrastructure would provide a substantial public benefit, through improved facilities and enhanced visual amenity.

Council is continuing to develop its design concept for the pavilion and playground, in consultation with the Harbour Trust. The Middle Head Management Plan allows for a replacement pavilion in the approximately location of the footprint of the western-most barracks building (allowing for slight re-orientation to address aspect). Any new building must not exceed the envelope of the existing barracks. The playground would be sensitively designed in a location on the northern side of the new pavilion.

The location for a new pavilion is advantageous as it is in the footprint of an existing two-storey building; unobtrusive; partly screened by mature trees; co-located with the nearby café and proposed playground; provides an elevated public viewing point towards Middle Harbour; adjacent to parking (for easy drop-off/pick-up); and would facilitate the demolition of the existing pavilion opening up views across the oval.

Once Council progresses its concept it would be in a position to submit a full development application, including information about a range of relevant impacts, which would be exhibited for public consultation.

The Harbour Trust is committed to the demolition of the two-storey barracks buildings, as articulated in the *Middle Head Management Plan*. Under the Plan, the westernmost building may be replaced with a new sports pavilion, while the other two would be demolished, and re-landscaped to create parkland with expansive views over Middle Harbour. These landscaping works are not currently budgeted for. The Harbour Trust is aiming to coordinate the timing of these outcomes with Council's proposed construction of the new pavilion and playground.

Middle Head Oval Fencing

Last September Mosman Council started its major works on Middle Head Oval. What will be a new fence around MH Oval? Will any fence ensure unlocked continuous general public access to the Oval? Will there be any gates, easily openable? What will be fence height? What will be fence fabric - e.g. will it be black cyclone? Will there be fencing in places only for public safety and to prevent balls straying onto external lands, e.g. *Penguin* carpark, over the cliff? Which parts of MH Oval will be un-fenced?

No new fencing is proposed as part of Council's current oval re-surfacing project. It is noted that the fencing is deteriorating and is becoming unattractive. The Harbour Trust will explore with Council opportunities for replacing the fencing with a new, unobtrusive fence that strikes the right balance between helping to arrest some wayward balls, while facilitating general public access to this wide open space.

Middle Head and Georges Heights Ovals – Licence

At the 29 June Board meeting in public, answers were given as to Trust’s on-going negotiations with Mosman Council. Please what is the current situation? Has the 15-year licence been signed? What are the benchmarks for "adequate maintenance" of the 2 Ovals? Is there agreement on an Operations Plan? Will the terms & conditions of the Operations Plan provide equity of general community access?

The Harbour Trust and Council have agreed on the terms of a draft Licence for Council’s use and management of the two ovals at Georges Heights and Middle Head. The draft Licence sets out performance objectives for the management of the ovals, including ensuring equitable access for males/females, and that facilities are maintained in good and substantial repair.

As a requirement of the Licence, Council has provided a draft Operations Plan – the Harbour Trust will review this and provide feedback to Council early in 2019. Once the Operations Plan is finalised, the Harbour Trust and Council will be in a position to sign the Licence.

Mosman Council & Local Sporting Entities

It has become apparent over recent months that there is an active campaign by Mosman Sporting Entities and the Mosman Council to create a sporting precinct on the Headland. In view of the vision for the Headland as expressed in the comprehensive plan (proposes the creation of a park of beauty, solace and respite...the regeneration and expansion of the bushland slopes of the peninsula would reinforce the strong sense of a green gateway)

AND, having regards to the Trust’s Statutory Obligations under Section 6 of the SHFT ACT 2001, will the Trust be opposing such proposals.

We are aware that Mosman Council considered two separate Notices of Motion on Tuesday 4 December 2018, for netball courts to be constructed at Middle Head. We are yet to received official minutes from the council meeting for consideration.

10 Terminal

We are all disappointed that 10 Terminal has fallen into such a state of disrepair. What alternative plans is the Trust pursuing given the SIMS proposal for a Centre for Urban Marine Innovation (CUMI) is becoming less and less likely?

What progress is there on establishing an Environmental Education Centre by the NSW Education Department in 10 Terminal or alternative locations. Is this dependent of success of the SIMS CUMI proposal? If CUMI does not proceed what alternatives can the Trust pursue for the Environment Education Centre.

The Board will be re-considering our position in March should SIM’s not achieve funding in the next few months. SIM’s and the Department of Education are continuing to discuss the education proposal.

HARBOUR TRUST CORPORATE STRATEGY & FUNDING

Funding

Why does the Corporate Plan 2022 state that the Trust “was established to be self-funded” when this is untrue?

The 2019 budget estimates shows cash dropping to approx. \$27m end of financial year 2019. Given that \$23m of this is quarantined Markham Close sale, this leaves only \$4m of free cash, is this an extremely low position?

According to the 2019 budget, there is “unrealised potential” at Cockatoo Island and North Head Sanctuary. Could you define what this means?

According to the 2019 budget, the Trust plans to “investigate a revised strategy (for) long-term financial sustainability”. Could you define what this means?

According to the 2019 budget, the Trust will identify “new revenue sources”. Could you define what this means?

On page 272 of the 2019 budget, who is the public/private investment partner “not on track” and “deferred”?

Would it be possible for the proceeds from the sale of the properties sold in Markham Close, Mosman, to be deposited in the Future Fund? Is it possible for the Harbour Trust to apply for funding from the Future Fund under its education or environmental project investments?

The Harbour Trust’s funding position now and over the next few years is something Management, the Board, and the Department have active discussions on. Considerations include additional one-off and ongoing funding, whether legislative reform is desirable, and diversification of funding sources.

The Harbour Trust is exploring the development of a philanthropic and corporate sponsorship offering. In addition we are exploring a more active participation in securing public and private grants. Both strategies will provide new revenue opportunities.

The Harbour Trust is a very effective self-sustaining model providing sufficient capital is made available to rehabilitate assets upfront. The was the intent of the language in the full extract of the corporate plan, which is, *“Harbour Trust was established to be self-funded by revenue generated from commercial activity on Harbour Trust Sites. The Harbour Trust has demonstrated that the self-sustaining model works when given sufficient government investment.”* It is acknowledged that the wording is clumsy and will be altered.

However North Head and Cockatoo Island both require a significant investment to enable the rehabilitation of assets and to realise the full potential of these sites for the community and supporting commercial uses. A short walk around either sites will demonstrate that there are a large number of historic buildings that are unsuitable for limited use and as such are closed off. In both locations, supporting infrastructure is also poor.

The Harbour Trust’s cash position forecast for 30 June 2019 is now \$37 million which includes the \$23 million Markham Close funds and final Sub Base Platypus Stage 1B funding. This leaves approximately \$8.5 million in cash reserves outside of the Markham Close funds. This is higher than the position posted in the Commonwealth Budget Financial Statement in May 2018 due to a delay in some of the Platypus expenditure, and prudent management of the asset renewal / capital expenditure. The Harbour Trust has explored approvals to obtain a higher investment return for Markham Close Fund but was unsuccessful.

In addition, discussions with SIMs on CUMI (noted as public/private investment partner) has taken place and is ongoing on 10 Terminal.

Strategic Asset Management Plan

What is the status of the Strategic Asset Management Plan?

We have recently completed our first iteration of our Strategic Asset Management Plan.

PWC Engagement

At the March and May 2018 Board meetings, representatives of PWC attended. This appears to be related to the engagement of PWC for \$30,000 for advice. I note that Mr. Sherrard is Partner, Infrastructure and Urban Renewal Leader, yes this discussion is noted under Philanthropy. Why was PWC engaged by the Trust, what was discussed at the Board Meeting, and why was this not recorded (I presume) in the Minutes? May we have a copy of the report?

During the last 12 months the Trust received an unsolicited commercial in confidence proposal from a consortium of philanthropists. The Trust receives a number of unsolicited proposals each year however this proposal was substantive enough to require Board consideration and an objective assessment. PwC was engaged to support Management and the Board to assess the proposal. On balance the Board decided not to progress the proposal at this stage. The report is commercial in confidence.

Aged Care

What was the amount of the cash settlement to Garnstone Investments (aged care developer) and was this an expenditure of the Trust and over what period of time?

In terms of the aged care developer, the Harbour Trust returned the holding deposit to the provider. No additional settlement funds were paid by the Trust.

Extension of Harbour Trust Tenure

The life of the Harbour Trust was extended from the original ten years to 2033. 2033 is not very far away in planning and management terms.

Could the Board reveal whether there are plans for a further extension, (in perpetuity?) or whether it is considered desirable to hand the lands to the National Parks & Wildlife Service or another government instrumentality?

How would an extension to the Trust's tenure be achieved?

And further, what do the Board consider to be the merits and difficulties of an extension?

The term of the Trust finishes in 2033. Is the Trust lobbying to have this extended by parliament?

This is very important if the Trust wishes to attract big investors to establish businesses and rehabilitate premises to be able to amortise their expenditure.

Ultimately the life of the Trust is a matter for Government. In the interim the Trust operates as an ongoing entity, working effectively with and through Commonwealth and NSW Government for lease terms that extend beyond 2033. We continue to work with Government to enable our future.

At this stage there are no plans to transition the Trust assets to National Parks or any other Government entity.

LEASING

What are the vacancy and turnover rates of Harbour Trust tenancies? What is the Trust's philosophy and process for retaining tenants?

Commercial Vacancy Rates:

The current commercial leasing vacancy rate is 1.13% across the Harbour Trust's entire leasable portfolio across all our sites (*Leasable Portfolio means those properties which are in a condition safe for commercial occupancy and generally up to current BCA codes)

Commercial Turnover Rates:

Over the last 12 month period the Harbour Trust has seen approximately 8 commercial tenants leave the Harbour Trust sites which equates to approximately 6.8% turnover of commercial tenants. The main reasons for tenants vacating the Harbour Trust sites this year has been due to tenants relocating interstate or amalgamating premises with another one of their business units. As vacancies have arisen this year, the Harbour Trust has facilitated a number of tenants expanding into larger premises in order to accommodate business growth.

Philosophy and Process for Retaining Tenants:

The Harbour Trust values its tenants and prioritises providing excellent Leasing and Property Management services to all tenants. The Harbour Trust aims to retain its tenants where possible and works hard to ensure its Commercial Tenancies and Parklands provide a suitable working environment. We have recently issued a Tenant Satisfaction Survey and we will look to the results of that to assist us to ensure we are meeting the needs of our Tenants to the best of our ability.

The Harbour Trust Leasing Policy, available at the Harbour Trust website, sets out the process for lease renewals (retaining tenants). In order to reduce any financial risk to the Harbour Trust, the Tenant Selection Committee have given the Property & Leasing Team a directive to ensure that all tenants are on current commercial leases and the number of tenancies on lease holdover are minimised.

Has there been any improvement in Wi Fi and mobile phone services for tenants in the Trust's Middle Head properties? I believe optical fibre now extends to the Penguin base.

The Harbour Trust understands that NBN was connected to Middle Head in November 2018, which will enable tenants to access an improved internet service. Tenants will need to make their own arrangements with their service providers to access the NBN. While Wi-Fi systems are managed by tenants, it is expected that these systems will significantly benefit from the new connection to the NBN. As a separate matter, the Harbour Trust is in discussions with network carriers to investigate options for improving mobile phone service at the Headland Park, in ways which does not involve the installation of any new masts.

HARBOUR TRUST PARTNERSHIPS**Would the Sydney Harbour Federation Trust consider working with or co-operating with other organizations and Trusts, in the interest of Sydney residents and visitors, to give better public knowledge of and access to publicly owned Sydney Harbour foreshore sites such as Callan Park and the Sydney Botanic Gardens?**

Yes. The Harbour Trust is actively developing relationships with a range of peer organisations including National Parks, Botanic Gardens, Taronga Zoo and Committee for Sydney amongst others across all levels within the organisation to develop new and exciting experiences for our visitors.

COCKATOO ISLAND CRANES

Why were the cranes structurally stable in 2017 but not in 2018? What past maintenance has the Trust carried out on these 2 large cranes and how have these cranes become unsound in just 1 year? May we have a copy of the Crane report? Do the cranes need to come down regardless for conservation works? Is it more cost effective to conserve them in place, and if so why are they being dismantled?

Further commentary to questions below

Trust intends to dismantle 2 large cranes on Cockatoo Island, yet there was no mention of this (only to "carry out urgent works") in the Sep 18 Minutes. There is no plan or funding to reinstate the

cranes. There appears to be no EPBC referral, as was the case for the Garden Island Hammerhead Crane. I note the 2 following statements from the CMP and the Management Plan.

a) Cockatoo Island Dockyard retains the best collection of historic cranes in Australia. Although conservation of such elements for heritage reasons is difficult, conservation of the dockyard’s cranes is even more important now that they are recognised as having a significant aesthetic role to play as ‘landmarks’ and ‘icons’ of the Island’s distinctive character within the harbour (in addition to their historical and technical values relating to past uses).

Cockatoo Island Dockyard–Conservation Management Plan–Volume 1, June 2007

b) and from the Cockatoo 2017 Management Plan

The machinery and the cranes, particularly the external ones, many of which are located on the Southern Apron, present a major conservation challenge. A survey of all cranes, and an inventory of machinery and tools have been carried out and all have been found to be generally structurally stable, however many are missing components and lack of maintenance has resulted in fabric deterioration. Repairs to the cranes are underway, enabling some to be certified for regular use on Cockatoo Island.

c) and

<p>Policy 42</p>	<p>Protect and conserve the significant structures, elements and fabric of the southern apron dockyard precinct.</p>	<p>a. Repair, maintain and reinstate existing fabric in the precinct. Any repair or maintenance of fabric, particularly where it is part of or connected to convict structures, requires sensitive attention.</p> <p>b. Wherever possible maintain all dockyard cranes, machinery and fittings in-situ.</p> <p>c. Use expert heritage advice and undertake heritage impact assessments when considering changes to the docks or associated structures and fabric.</p>
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A detailed presentation on the Cockatoo Island Cranes was presented at the Board Meeting in Public.

The Harbour Trust is committed to conserving the island’s 17 external cranes, in recognition of their heritage value, and the important role they play as landmarks that contribute to the island’s distinctive character. The Harbour Trust has a rolling program for restoring the island’s cranes. The Harbour Trust’s heritage restoration volunteers have already made excellent headway, having restored five cranes to date, and are currently in the process of restoring five more. We expect restoration works on three more cranes (Nos.25, 060, and 300) to commence in the coming year.

Of the four remaining cranes, three have been made safe in situ, and the fourth, due to its structural deterioration, has been temporarily dismantled to make it safe and to facilitate inspection and a restoration plan.

Restoration works to date have prioritised the smaller cranes, as these are able to be worked on safely by our volunteers.

The Harbour Trust is currently undertaking essential make-safe works on six cranes that are in varying states of dilapidation. As works have progressed, closer inspection has allowed the Harbour Trust to reduce the level of intervention originally planned. Of those six cranes: *(note this is status as of 4.12.18)*

- Three cranes (Nos. 231, 277 and 302) will undergo minor make-safe works including securing of cabins, windows, and tying or dismantling of luffing ropes and lifting hooks.
- Two cranes (No. 300 and 060) on the northern and eastern aprons will have their boom (arm) and associated fixings temporarily dismantled to become part of Harbour Trust heritage restoration program in 2019.
- One large crane (No. 115) on the southern apron, is currently undergoing significant work (including dismantling boom and cabin) as it is severely deteriorated. The crane base will remain in situ. Restoration of this crane is especially challenging due to its large size and poor condition, requiring significant levels of resources, and making it difficult to work on safely.

The current make-safe works are being undertaken following independent engineering advice aimed at ensuring both public safety, and the long-term conservation of the cranes. As an interim measure the Harbour Trust initially installed fencing around certain cranes to protect public safety, and is now undertaking the make-safe works.

The Harbour Trust undertook an impact assessment of the proposed action. This included an assessment of whether the proposed action is likely to have a significant impact on the environment of the heritage values of the place, which would require referral to the Minister for the Environment. The assessment found that given the temporary nature of the works, which will facilitate inspection and conservation of the cranes, the proposed action did not pose a significant impact to the heritage values of the place, and as such did not require public exhibition or referral to the Minister.

VISITOR EXPERIENCE

The Bondi to Manly walk sounds exciting. Could you give a public comment as to how SHFT regards this project?

The Harbour Trust, Mary Darwell attended and spoke at the recent press conference announcing the historic launch of the Bondi to Manly walk. Furthermore we are a key stakeholder in the committee involved in executing this 80km walk including waymarks and how we launch the walk to visitors. This new walk connects with many different Harbour Trust lands and will also now include the recently opened Sub Base Platypus at North Sydney harbour walk.

Why is it still the case that the Harbour Trust website does not meet United Nations Web Guidelines, especially accessibility and legibility (white type on black background makes reading difficult it's like looking into bright light in the dark)?

The Harbour Trust is currently undergoing a major digital transformation of its web platforms. This will ensure the website complies with the Government Web Content Accessibility Guidelines as well as meeting other industry standards. The new website will be available in the first half of 2019.

STAND ALONE QUESTIONS

Which precinct Master Plans will be revised and why?

The Harbour Trust has Management Plans for each of its sites. Management Plans need to be regularly reviewed to reflect current site conditions (noting that many of the sites have been substantially rehabilitated since the Plans were originally written); as well as any changes to the planning context (such as strategies for adjoining lands). Management Plans are also being progressively reviewed to address the requirements of the *Environment Protection and Biodiversity Conservation Act*. Any outcomes in updated Management Plans must be consistent with the outcomes identified in the Comprehensive Plan.

Subject to the Harbour Trust Board's consideration today, we expect that an update to the Management Plan for Macquarie Lightstation will be exhibited for public comment in early 2019. In September 2018 the Board deferred its consideration of a proposed amendment to the Management Plan for the Drill Hall precinct, subject to the outcome of Council's response to issues regarding traffic management at the site.

Upcoming management plan reviews will be undertaken for Woolwich Dock and Parklands; Marine Biological Station; and the Headland Park (where the Harbour Trust is aiming to consolidate all of the various precinct management plans into a single park-wide document).

Can the Trust publish its annual report in a larger font and in separate files? The 2018 is very difficult to read.

Adobe and PDF documents have a feature which allows you to zoom into the document to adjust the font size. Physical Annual reports are available on request.

There are approx. 250 volunteers who contribute 30,000 hours to the goals of the Trust. Given these numbers are there are plans for a board member to represent their interests? Or a board member to take on these interests as part of their current role? While we are extremely well looked after and represented by Catherine Enright, her position as a Trust employee may at times be a conflict of interest. If not seen as a board responsibility would it be possible, if requested, for there to be an independent committee to represent the interest of the volunteers?

The Board is responsible for the strategic leadership of the Harbour Trust in all its facets. The Board values greatly the contribution of volunteers and is regularly appraised on the range and nature of the volunteers work. The Chair Joseph Carrozzi and CEO Mary Darwell recently attended a volunteers event to meet directly with the volunteers and hear about their roles and responsibilities.

Volunteers are a part of our CAC and we also welcome volunteer input into issues.