Australian Government actions in response to the Sydney Harbour Federation Trust Review Recommendations September 2020 Update

Read the final review report

Recommendation 1
The objects of the Harbour Trust set out in the *Sydney Harbour Federation Trust Act 2001*, which focus on public access and amenity, and the protection, conservation and interpretation of environmental and heritage values, should remain unchanged.

**Actions**
Consistent with the recommendation, the Government is not proposing to change the objects of the Act.

Recommendation 2
The Harbour Trust sites should remain in public hands. Existing protections to achieve this, such as s.24 of the *Sydney Harbour Federation Trust Act 2001*, should be maintained.

**Actions**
Consistent with the recommendation, the Government is not proposing to change the objects of the Act.

Recommendation 3
Whilst Snapper Island is included in the Harbour Trust’s Comprehensive Plan, any handover of this site or transfer of any other new sites to the Harbour Trust will need to be accompanied with sufficient funding to allow for remediation and ongoing maintenance and management of the site.

**Actions**
The Harbour Trust will consult with the community on Snapper Island, commencing in late 2020. This will inform consideration of a potential transfer of the Island from the Department of Finance to the Harbour Trust.

Recommendation 4
The Harbour Trust sites should remain with the Commonwealth. The transfer of any sites to New South Wales would be premature at this time. The Review considers that collaboration between the two levels of government should be strengthened and welcomes the proposal from New South Wales that a
significantly closer relationship between the Commonwealth, the Harbour Trust and the New South Wales Government is needed.

**Actions**

- The Government will pursue amendments to the SHFT Act to remove the presumption that sites will be transferred to NSW.
- Discussions with NSW on options and collaboration opportunities have commenced. Any future collaboration will be done in the context of the *Sydney Harbour Federation Trust Act* and the responsibility of the Harbour Trust for decision making about Harbour Trust sites.

**Recommendation 5**

The Harbour Trust should operate as an ongoing entity:

1. The Sydney Harbour Federation Trust Act 2001 should be amended to remove Part 10 and other provisions related to the scheduled repeal of the Act.
2. The Harbour Trust’s legislative, financial and operational framework and capabilities should reflect its role as an ongoing entity.

**Actions**

- The Government supports the Harbour Trust operating as an on-going entity and has commenced the process to amend the Act.
- The community will have an opportunity to comment on an exposure draft amendment Bill, prior to introduction into the Parliament in late 2020 or early 2021.

**Recommendation 6**

Membership of the Harbour Trust’s Board should reflect the skills and expertise required for the future:

1. The Sydney Harbour Federation Trust Act 2001 should be amended to further specify that the appointment of each member of the Harbour Trust should be based on their expertise in one or more of the following areas: law, finance, asset management, commercial leasing, architecture, public administration, Indigenous engagement, heritage, environment, tourism and marketing.
2. When an appointment is made to the Board, an explanation of how these competency requirements have been considered and addressed should be published.
3. The Board should maintain a skills matrix and conduct regular reviews of its capacity and performance.
4. Representational positions for the New South Wales Government and Local Councils should be retained. These positions should be filled by senior officials with appropriate expertise from the relevant jurisdiction.
5. There should continue to be one member of the Harbour Trust who represents the views and interests of Indigenous Australians. This position should be filled in consultation with the Harbour Trust’s Aboriginal and Torres Strait Islander Advisory Group.
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**September 2020**

**Actions**

- The Government will pursue amendments to the SHFT Act to further specify the skills and expertise required for appointment to the Harbour Trust. The community will have an opportunity to comment on an exposure draft amendment Bill.

- The Department is developing protocols for appointments to the Harbour Trust. This will include:
  - drawing on an enhanced skills matrix maintained by the Harbour Trust, and regular reviews of capacity and performance
  - a process for engaging Indigenous Australians in relation to the appointment of Indigenous people to the Harbour Trust
  - a process for engaging with relevant local councils on appointments for a person with a local government perspective and experience
  - a process to publicly explain how competency requirements have been considered and addressed after each appointment is made.

- The Harbour Trust considered a renewed skills matrix at the September 2020 Trust Meeting. An annual internal review of Trust Members (i.e. Board) capacity and performance to be undertaken by Chair.

**Recommendation 7**

The organisational capabilities and structure of the Harbour Trust management and staff should be updated to reflect the expertise and focus the organisation needs into the future, including by:

1. Establishing a dedicated site manager and staff for complex and work-intensive sites - in particular North Head Sanctuary and Cockatoo Island.

2. Reorienting the structure of the Harbour Trust towards three key streams of activity:
   - place-based management;
   - finance, asset management and commercial operations; and
   - heritage, tourism and site activation.

3. Refocusing staff capabilities and skills to better match future operational requirements, including place-based planning; strategic planning; stakeholder engagement; asset management; financial management and accounting; environment; heritage; tourism; visitor services; and precinct and site activation.

**Actions**

The Harbour Trust is undertaking an analysis of organisational capabilities to ensure it is well placed to fulfill its role as an ongoing entity. This will be completed by early 2021.

**Recommendation 8**

Community involvement in the work of the Harbour Trust should be strengthened by:

1. Greater use of Technical Advisory Committees, to supplement the expertise of the Harbour Trust when dealing with complex tasks or issues.

2. Reconstituting and refocusing the Community Advisory Committees as consultative forums so that they are more directly involved in priority-setting by the Harbour Trust. This should include the attendance of at least one Harbour Trust Board member at each meeting.

Department of Agriculture, Water and the Environment
3. Establishing a dedicated annual budget for community, volunteer and Indigenous projects aimed at increasing site visitation, enhancing the visitor experience or improving public access.

4. More active engagement by the Harbour Trust Board and management with volunteers, community groups and others at a site-by-site level.

**Actions**
The Harbour Trust is developing a new Stakeholder Engagement Strategy and Governance Framework Plan. Reform to engagement processes will be implemented as soon as practicable.

**Recommendation 9**
Collaboration and partnerships need to be strengthened across strategic, management and operational levels, and across all levels of government, to establish a stronger ‘whole of Harbour’ approach to planning of the Sydney Harbour foreshore. The Commonwealth Government should therefore establish a formal taskforce or partnership with the New South Wales Government that fosters collaboration and joint planning, supported by a Memorandum of Understanding that includes:

1. The inclusion of Harbour Trust sites in the development of a wider Sydney Harbour vision;
2. The development of a joint visitor and tourism program of year round activity that includes financial contributions from the New South Wales Government, recognising that this will provide long term economic benefits for New South Wales; and
3. Opportunities for further enhancing and interpreting the Indigenous values of the sites.

**Actions**
- Discussions with NSW on options and collaboration opportunities have commenced.
- The Harbour Trust will consider opportunities for further enhancing and interpreting the Indigenous values of the sites in conjunction with implementation of recommendation 15.

**Recommendation 10**
The Harbour Trust should consult appropriately and facilitate a more joined up approach to the management of contiguous public lands and facilities held by neighbouring Local Councils and explore opportunities for additional collaboration, such as a joint calendar of community events on Harbour Trust sites.

**Actions**
The Stakeholder Engagement Strategy and Governance Framework Plan (refer recommendation 8) will include strategies to improve the Harbour Trust’s engagement and collaboration with Local Councils.

**Recommendation 11**
The Harbour Trust should strengthen its capability in commercial leasing and consider realigning its Leasing Policy to adopt a separate approach for each site, with additional detail on maintenance requirements, lease renewal and sub-leasing.

**Actions**
- The Harbour Trust is developing a new Leasing Policy, building on recent community consultation on a draft.
• The next iteration of the policy will respond to this feedback, as well as the review and any relevant legislative amendments (see recommendation 13).

• The community will be consulted again on the proposed new Leasing Policy.

Recommendation 12
The requirement for the Minister to approve contracts of greater than $1 million should be revised to a $5 million threshold.

Actions
• The Government will pursue amendments to the SHFT Act to implement this recommendation.

• The community will have an opportunity to comment on an exposure draft amendment Bill.

Recommendation 13
The Minister should have the authority to approve leases of between 25 and 35 years on Harbour Trust sites. Leases of longer than 35 years should remain possible but subject to the following controls:

1. The site management plans and/or the commercial leasing policy should identify buildings or areas for which 35-year leases or longer are potentially available.

2. The Harbour Trust must publish a statement of reasons outlining why the grant of the lease is consistent with the objects of the Sydney Harbour Federation Trust Act 2001.

Leases of longer than 35 years should continue to be subject to Parliamentary disallowance. The Harbour Trust should retain authority to enter into leases of less than 25 years.

Actions
• The Government will pursue amendments to the SHFT Act in response to this recommendation.

• The community will have an opportunity to comment on an exposure draft amendment Bill.

Recommendation 14
The Harbour Trust should establish a partnership with the Environment and Engineering Branch in the Estate and Infrastructure Group of the Department of Defence, to support the interpretation of the Harbour Trust sites in respect of their military history.

Actions
The Harbour Trust is working to establish a partnership with the Environment and Engineering Branch in the Estate and Infrastructure Group of the Department of Defence.

Recommendation 15
Indigenous heritage of Harbour Trust sites should be recognised and celebrated through improved signage, storytelling and the provision of information at the sites, particularly Headland Park, North Head Sanctuary and Cockatoo Island.

Actions
The Harbour Trust will consult with First Nations groups on key interpretive elements for Harbour Trust sites and develop a strategy / program to address gaps identified through the consultation process.
Recommendation 16
The Harbour Trust should employ a Development Manager to work with its existing volunteer network, engage with Indigenous, military and veterans’ organisations to promote the heritage of the sites, encourage visitation and a greater interest in activating sites, progress relevant projects from the dedicated community fund and encourage relevant sponsorship and philanthropic investment for the Indigenous and other historical activities on the sites.

Actions
This is being considered by the Harbour Trust as part of its analysis of organisational capabilities (See response to recommendation 7).

Recommendation 17
The Commonwealth and New South Wales should convene a working group of senior officials to collaboratively identify a shared long-term vision and way forward for North Head Sanctuary.

Actions
The Government is providing funding to the Harbour Trust to enable it to consult with NSW and the broader community on a long-term vision and way forward for North Head Sanctuary.

Recommendation 18
The existing Deed of Agreement for the North Head Sanctuary should be amended to include an agreed rehabilitation plan, with particular emphasis on the School of Artillery complex.

Actions
The Government will pursue amendments to the Deed of Agreement that are necessary to support the long-term vision and way forward for North Head Sanctuary that is being developed in response to recommendation 17.

Recommendation 19
The amended Deed of Agreement for North Head Sanctuary should:

1. remove the requirement for New South Wales to approve leasing arrangements that extend beyond 1 January 2032;
2. clarify long term arrangements for the site – that is, whether the site is to be transferred back to New South Wales, and the preconditions and processes for doing so;
3. agree on the objectives for the future state of the site, including appropriate site activation;
4. identify the pathways for achieving the shared objectives, including funding requirements; and
5. be developed with community input.

Actions
This recommendation will be considered in the context of work to implement recommendations 17 and 18.

Recommendation 20
A fresh look at Cockatoo Island is required, including:
1. an immediate injection of funding to address the backlog of critical repairs and maintenance works to ensure at least current levels of public access are retained and significant heritage assets are not damaged beyond repair (note this funding is included in recommendation 21);

2. the development of a masterplan should be undertaken in consultation with all stakeholders, including the New South Wales Government, together with a refresh of the Comprehensive Plan if necessary;

3. an audit of buildings and structures on the island to determine heritage value, suitability for future use and required investment, to be conducted by individuals with expertise in heritage architecture, quantity surveying, building evaluation and Indigenous heritage;

4. appointment of a site manager to supervise the development of the masterplan and audit, identify and address priority works, and develop a site-specific approach for leasing and rehabilitation;

5. consideration of the role of Cockatoo Island in a broader New South Wales Government vision for Sydney Harbour, and nearby sites such as Goat Island (Me-mel), as part of a wider Harbour tourism experience;

6. keeping a range of activities on the site to maximise public access and the opportunities for different kinds of visitor experiences;

7. seeking to lease out the glamping/camping/accommodation facilities to a commercial operator;

8. a staged approach to rehabilitation over time; and

9. tasking and resourcing the Harbour Trust’s Aboriginal and Torres Strait Islander Advisory Group with developing options for an Indigenous engagement strategy for the island.

**Actions**

- The Government is providing funding to the Harbour Trust to enable it to generate a refreshed plan for Cockatoo Island, building on the community engagement performed in 2019, as well as in consultation with the NSW government and other stakeholders.

- The Government has also provided funding to enable urgent repairs and maintenance to be undertaken on Cockatoo Island and other sites (see recommendation 21).

**Recommendation 21**

The Government should provide immediate additional funding to the Harbour Trust to supplement the revenue it generates.

1. This should include urgent funding of $47 million across the forward estimates commencing in financial year 2021 for maintenance and upkeep of the sites, including addressing a backlog of repairs and maintenance.

2. Immediate one-off funding of $3 million should be provided to the Harbour Trust to enable the development of the masterplan for Cockatoo Island, an asset audit for Cockatoo Island and a rehabilitation plan for North Head Sanctuary, providing a basis for site-specific capital plans.

3. The Harbour Trust should engage with the New South Wales government, along with the private sector, to identify opportunities for additional funding for the activation of plans for North Head Sanctuary and Cockatoo Island.

4. Further funding for major rehabilitation should then be based on the processes contemplated by Recommendations 17-20 and, in particular, site-specific capital plans which set out the heritage
significance of each building, works to be undertaken, the cost of those works and options for adaptive reuse.

**Actions**

- The Government has made $47 million available to the Trust to enable it to address critical repairs and maintenance over the next four years. Any funding beyond this will be considered in the context of future plans for Cockatoo Island and North Head, that are being developed by the Trust.

- The Government has made $3 million available to the Harbour Trust to enable it to develop refreshed plans for Cockatoo Island and North Head Sanctuary, in consultation with community and NSW Government. This will support consideration of potential future investments in those sites.