



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

March 2021 update

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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

- A Draft Snapper Island Conservation Management Plan has been developed and was placed on public exhibition on 18 November 2020 along with a discussion paper. Consultation on the documents closed on 12 February 2021. Review of the community feedback received is currently ongoing, with an outcomes report to be published.

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 has introduced the Sydney Harbour Federation Trust Amendment Bill 2021 into Parliament. It removes the requirement that the Act be repealed in or after 2033, and the associated presumption that sites will be transferred to NSW.
- Discussion with NSW on increased collaboration is ongoing. This includes a focus on potential NSW actions to support a refreshed vision for North Head Sanctuary and Cockatoo Island (see recommendations 17 and 20).
- These discussions are done on the basis that the Harbour Trust will retain responsibility for decision making about its sites, as provided for by the Act.

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 has introduced the Sydney Harbour Federation Trust Amendment Bill 2021, which provides for the Harbour Trust to become ongoing entity.
- The Harbour Trust is reviewing its organisational arrangements to ensure it is well positioned to operate as an ongoing entity.

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.

Actions

- The government has introduced the Sydney Harbour Federation Trust Amendment Bill 2021, which updates the requirements applying to membership of the Harbour Trust.
- The department is updating its protocols for the management of appointments to the Harbour Trust. These include:
 - drawing on a skills matrix maintained by the Harbour Trust, and associated 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.

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 reviewing its organisational arrangements to ensure it is well positioned to operate as an ongoing entity.

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.
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 has developed a stakeholder engagement strategy and governance framework which was placed on public exhibition between 5 November and 3 December 2020. Implementation of the strategy and framework is expected to occur in late 2021.

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

- Discussion with NSW on increasing collaboration is ongoing. This includes a focus on potential NSW actions to support a refreshed vision for North Head Sanctuary and Cockatoo Island (see recommendations 17 and 20).

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) addresses the Harbour Trust's engagement and collaboration with local councils. Implementation of the strategy and framework is expected to occur in late 2021.

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 will develop a new leasing policy. The new policy will have regard for the recommendations of the Review, feedback collected through the public consultation on the draft policy conducted in early 2020, and other amendments to improve internal operations and processes.
- The new policy will also respond to the legislative amendments that are currently before the parliament (see also recommendation 13).

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 has introduced the Sydney Harbour Federation Trust Amendment Bill 2021 which, in line with recommendation 12, provides a revised threshold for ministerial approval of contracts.

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 leases of less than 25 years.

Actions

- The government has introduced the Sydney Harbour Federation Trust Amendment Bill 2021.
- The Bill reforms provisions related to long-term leasing. This includes:
 - Capping leases or licences to a maximum of 35 years.
 - Any proposal for a lease or licence greater than 25 years must be tabled in parliament as a legislative instrument that is therefore subject to disallowance.

- Before presenting a proposal to the parliament, the Harbour Trust must develop a statement of reasons explaining how the proposal is consistent with the objects of the Harbour Trust under the Act. This includes the objectives of public access and amenity, and the conservation of heritage.
- The Harbour Trust must consult with the community on a draft statement of reasons and seek advice from a community advisory committee. The community's feedback must be reflected in the statement of reasons presented to the parliament.
- The final lease or licence is subject to ministerial approval and must be consistent with the proposal tabled in parliament.
- The Harbour Trust will revise its leasing policy (see recommendation 11) to set out how the Harbour Trust will administer these revised legislative provisions.

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 in contact with the Environment and Engineering Branch of the Department of Defence, with discussions progressing on the format and scope of the ongoing relationship.

Recommendation 15

Indigenous heritage of Harbour Trust sites should be recognised and celebrated through improved signage, story-telling 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 Australians Nations groups on key interpretive elements for Harbour Trust sites and develop a strategy/program to address gaps identified through the consultation process.
 - The Harbour Trust is considering opportunities in the planning work being undertaken for 10 Terminal, Sub Base Platypus - and the strategic work for Cockatoo Island and North Head Sanctuary - to enhance and interpret the significant Indigenous values of the sites.

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 also 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 has provided 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.
- The Harbour Trust consulted with the community (12 October to 30 November 2020) regarding views on the future of North Head Sanctuary. A consultation outcomes report was published on 5 February 2021.
- Discussion with NSW on increasing collaboration across governments is ongoing. This includes a focus on potential NSW actions to support a refreshed vision 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

- A heritage audit of all the buildings and structures at North Head Sanctuary has been produced (as well as for Cockatoo Island). The heritage audit document will inform the development of a rehabilitation plan.

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 is being 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 has provided 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 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 Harbour 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 a refreshed vision for Cockatoo Island and North Head, that are being developed by the Harbour Trust.
- The government has made \$3 million available to the Harbour Trust to enable it to develop a refreshed vision for Cockatoo Island and North Head Sanctuary, in consultation with the community and the NSW Government. This will support consideration of potential future investments in those sites.