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Sydney Harbour Federation Trust Review
Department of the Environment and Energy
GPO Box 787
Canberra ACT 2601

Tuesday 4 February 2020

Dear Sir/Madam,

We are pleased to make a submission to the Independent review of the Sydney Harbour Federation Trust.

The Committee for Sydney is an independent think tank and champion for the whole of Sydney, providing thought leadership beyond the electoral cycle. Our aim is the enhancement of the economic, social, cultural and environmental conditions that make Sydney a competitive and liveable global city.

In 2019, the Committee released a report, "Sydney Harbour - Our Greatest Asset." This report examined how we ensure the continued success of Sydney Harbour as an asset that delivers diverse benefits for Sydney. The harbour must balance economic, environmental, tourism, liveability, transport and intergenerational benefits – a challenging mix given increased demand on the harbour as Sydney grows.

The report recommended that a move to more consolidated ownership of the harbour was an unreasonable aim, but that greater recognition of the diverse uses of the harbour will lead to better long-term custodianship. We commend the Sydney Harbour Federation Trust, which we believe is an organisation that typifies an appropriate balance of these benefits.

At a high level we believe the current model for the Sydney Harbour Federation Trust is working, although it needs some reforms to make the model work. The dual mandate of preserving the historic buildings and the landscapes while covering costs through revenue generating activities is sensible.

We also note that the model of a federally-chartered agency of this type, while unusual in Australia, brings with it some significant governance benefits, not least of which is some insulation from localised concerns, so that the lands are governed for the benefit of all Australians – recognition that these lands are not the same as local parks, but have a broader social and cultural import.

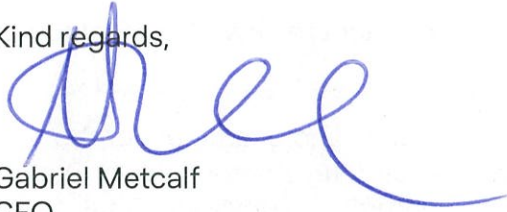
Although the original idea was to have the Trust be a temporary device, to upgrade the properties before transferring them, we believe it may make sense to plan to continue the model.

While we believe the general model is working well, we note that significant challenges remain with the mandate to achieve financial self-sufficiency. The Trust probably needs more flexibility around the terms of contracts it enters into with private parties who could fund rehabilitation of the historic properties. And we are going to have to watch carefully to see if the goal of financial self-sufficiency is attainable through reasonable methods. It may prove the case that, as with public transport, it is possible to cover operating costs, but not capital costs, from earned revenue – in which case infusions of Government funding to undertake major capital projects within the Trust's domain would be necessary.

In conclusion, I would note that in my previous role I have also had personal experience with another federally chartered organisation with a similar mandate, the Presidio Trust in San Francisco. The Presidio Trust was established to rehabilitate the buildings and grounds of a former US Army base and make them available to the public, to be funded via leases of properties managed by the Trust. I have come to be a great believer in this concept. I think Government would be wise to deepen and extend the current model.

Thank you for the opportunity to submit.

Kind regards,



Gabriel Metcalf
CEO
Committee for Sydney