



ATTACHMENT A

Harbour Control Tower

National Trust Review of the Options Assessment Report by Value Network Pty Ltd

General

The National Trust has reviewed the Harbour Control Tower Options Assessment Report prepared by Value Network for the Barangaroo Delivery Authority.

The Trust's conclusion from this analysis is that the Report is inadequate in its assessment of the potential retention or adaptive re-use of the Harbour Control Tower (HCT). Further, the Multi Criteria Assessment is predicated upon an unreasonably limited set of factors.

The Report does not factor in current or potential revenue in the options analysis, skewing the results towards demolition. We do not consider that it identifies the reasonable range of adaptive re-use options, hence does not provide a balanced outcome. There is no baseline analysis of the reuse capabilities of the HCT and no true market-testing of these potential capabilities.

Multi Criteria Assessment

The Trust notes and accepts the use of a form of Multi Criteria Assessment as a means to ensure that all factors are considered in determining the best options for the HCT. However, we consider that at least two reasonable and feasible reuse options are not addressed, leaving the whole analysis unreliable in its conclusions. Those options are:

- to utilise the HCT as a multi-use space in line with its capabilities, or
- to take the HCT to market in a sale or lease following a process to facilitate new use.

The Trust's analysis shows that, using the same assessment criteria as used in the Report (which are in themselves problematic), the two adaptive re-use options proposed by the Trust produce better outcomes than the demolition option.

In addition, our analysis of the Multi Criteria Assessment concludes that many of the values assigned in that assessment are based upon poor or partial analysis of the relevant factors or are underpinned by untenable assumptions. When considering existing and potential revenue sources and uses, and considering the stated aims for the park and its experience, the results presented are starkly different to those reached by the Value Network report. In fact, demolition ranked last when compared to retention as is, or the Trust's two options for adaptive re-use.

The Trust's analysis and review of the Multi Criteria Assessment show that retention even without use under any reasonable assessment is significantly preferred to demolition. The Trust's review of the Multi Criteria Assessment has been done conservatively, generous in allowing the BDA's particular understanding of design excellence to prevail, as is conservative in financial projections.

Conclusion

For a structure of such significance, this Report is of an extraordinarily poor quality. The Trust hopes that our analysis of the Report shows how adaptive reuse of the HCT can be more properly assessed in a way that gives confidence to the process. We will seek the opportunity to assist in providing our expertise and experience to ensure that the true adaptive potential of the HCT is explored.



The following Review presents comments and responses to the content of the Options Assessment Report by Value Network Pty Ltd. The review follows the chapter structure of the Options Assessment Report, with chapter titles and subsections identified in **Bold**.

Foreword

Noted

Table of Contents

Noted

1. Executive Summary

1.1 Background

The Trust's position regarding the heritage significance of the HCT has been previously stated and is in accordance with the views of independent heritage consultants and the NSW Heritage Council. We object to the statement that the Trust and the Heritage Division's advice "*stands apart from the tenor of previous advice,*" and suggest that, in fact, it is the BDA's position that is out-of-step with community standards.

1.2 Options description

The Trust considers these options as insufficient to properly canvass adaptive reuse options, as outlined further in this review.

1.3 Assessment methodology

Noted

1.4 Assessment outcome summary

Noted – commentary is provided in body of the Review.

2. Barangaroo Context

2.1 Snapshot of Barangaroo

Noted

2.2 Barangaroo Headland Park Planning Approvals

Noted

2.3 Harbour Control Tower Planning Conditions/Requirements

The Trust would like to highlight the statement about the changed approach and requirements for determining the future of the Harbour Control Tower.

"This change can be characterised as moving:

- From acceptance, that removal of the tower was required to achieve the naturalised headland concept as per the approval of Concept Plan Modification No. 3. A summary of the heritage assessment which was accepted at the time of the Concept Plan approval is provided in Appendix A.*
- To a view that, while demolition was one option, a heritage impact assessment would consider options for reuse and the mitigation of any adverse impact."*



This explicitly acknowledges that the current view is that the removal of the tower is not required to achieve the 'naturalised headland' concept but is an option. This is important for the consideration of this matter as part of the Multi Criteria Assessment.

It is worth noting that the original application from Barangaroo Delivery Authority (BDA) was for two options – demolition or retention, suggesting that delivery of the headland park was not considered contingent on the demolition of the Harbour Control Tower.

Section 2.4

This Heritage Assessment has been previously addressed in the Trust's original submission relating to this matter. In summary, the Trust considers that the notion that change of ownership and loss of use has "*essentially made redundant its thematic historic significance*" is completely illogical and unsupportable. It is a sophism without precedent in heritage assessment practice in NSW.

3. Harbour Control Tower Options

3.1 HCT Issues and Constraints

Noted

3.1.1 Harbour Control Tower Structural Assessment Report

The Trust notes that the wind environment of the HCT will be significantly altered by the construction of Barangaroo South, Barangaroo Central and the Headland Park itself and that any consideration of this issue needs to be based upon new technical assessments relating to the changed conditions. Historical results are likely to be of little relevance.

The rest of the extracted results of the Robert Bird Group Structural Assessment report are largely self-evident requirements arising from the current circumstances (ignoring the clearly prejudicial language in which these are expressed).

3.1.2 Harbour Control Tower Demolition Review

Noted

3.2 Option 1 – Retain as is – no adaptation

The Option 1 Costs Table fails to account for the current revenue and future revenue potential of the HCT. The Trust understands that currently the BDA derives an income in the order of \$100,000 per annum from the hosting of telecommunications facilities on the tower; this income is enough to more than cover the costs of annual utilities and minor maintenance. Factoring in this, with no other adjustments, the cumulative 20 years cost would be reduced from \$2m to \$6,213,171. Further, the Trust considers that retention of the HCT (without adaptive reuse) offers other opportunities for revenue that this report has not considered. These potentially include sponsorship options such as naming rights; stewardship arrangements as part of Corporate Social Investment programmes, as well as other service and infrastructure hosting options.

In addition, the structure would be able to be utilised for significant events such as for the Sydney New Year's Eve fireworks display in 2012, which offer the potential to be monetised as discreet events. It also has potential income as a prestige viewing location for such events.

The Trust also notes that, whilst the figures presented appear to have been closely accounted, the whole Cost Table is predicated upon a notional 'replacement cost' as an estimate of 'Capital Value'.



This theoretical approach may be appropriate for commercial property but is misleading in the context of heritage conservation objectives. No attempt appears to have been made to obtain real costs from the last forty years of actual use.

3.3 Option 2 – Adaptive reuse

The Trust has three fundamental concerns with the report's treatment of the potential for adaptive reuse:

- Existing and potential additional revenue sources are not considered, in particular the current revenue derived from hosting telecommunications facilities.
- The Tower Restaurant option has not been analysed or assessed for its suitability – it was *“not an option provided by Robert Bird Group. Included to indicate potential range available”*. Such an option that retains the existing built structure and fabric to the greatest degree possible would not only offer the least -cost adaptive reuse but also the greatest potential to create revenue.
- No open process of market testing, nor any public calls for expressions of interest were undertaken to derive this set of options. The Trust considers that adaptive reuse of the HCT could allow for a range of activities and uses, with some potential latitude in adaptive modification of the Tower in accordance with its new use.

Due to its location and outlook, the Trust would envisage that the HCT has significant scope to derive rental or hire income from a variety of uses. Due to its outlook, a regular source of income from function hire, events, seminars, pop-ups, displays, exhibitions, cultural events or food and beverage offerings could be achieved. This is in addition to landmark events like the New Years Eve celebrations, Australia Day, the Vivid festival, as well any of the many nights when Sydney Harbour hosts firework displays. It is a one-of-a-kind structure uniquely located to enjoy vistas of the harbour, as would be expected of a tower that established visual oversight.

It is telling that this report does not attempt to identify the fundamental capabilities of the HCT and what the costs and parameters of providing those capabilities would be. There is no testing of the market interest in providing the potential variety of services and/or uses in line with those capabilities. The Trust finds it impossible to believe that the HCT could not derive a significant income from, for example, providing a premium viewing venue for New Years Eve.

The Trust considers that, of the five options considered, only one is realistic and appropriate for discussion, being Option 2A – this, however, is seriously compromised by the assumption that the present three levels of enclosed rooms are demolished and replaced by an external stair and viewing platform, works which are entirely unnecessary to achieve the desired outcome.

The Trust understands that BDA approached three commercial operators to register their interest but this does not account for the appropriateness of their business models for this structure, nor that they were apprised of the full range of adaptation options that are possible. Only a complete and open-to-all process outlining capabilities and seeking expressions of interest could deliver confidence that adaptive reuse has been comprehensively considered. Until such a full and complete assessment of potential capabilities and a true market testing of these occurs, the Trust does not have confidence that BDA has appropriately considered adaptive re-use.



In Section 5.0 - Multi-Criteria Assessment below, the Trust has identified and assessed two alternative adaptive reuse proposals.

3.4 Option 3 – Removal / demolition of the Tower

The Trust notes that, whilst reserving comment regarding the basis for such figures, the cost of demolition is very close to the 20 year cost of retention (taking into account the current income from service hosting).

Further, the Trust notes that many of the proposed benefits of removal of the HCT are not mutually exclusive with retaining the HCT. Should BDA wish *“to integrate a massive oculus (skylight) into the design of the cultural space”*, such an oculus can be provided elsewhere on the roof of the cultural space without removing the HCT. This would allow for both the retention of the HCT, whilst not removing the opportunity to *“present opportunities to view the cliff cuttings below that are themselves a physical legacy of the working harbour”*. It goes without saying, however, that an oculus cannot *“directly interpret the scale and footprint of the former tower”* nearly as well as retaining the tower itself.

4. Option Discussion

4.1 General Discussion

4.1.1 Usability/Utility

The Trust notes the access matters raised in relation to the lift, however, would note that there is second way of ingress and egress through the stairs and that appropriate management strategies can be devised for its use.

The Trust notes the equity issue but would like to place it in perspective by noting that the lift does allow access to the lower floor and that it is not impossible to envisage that a new internal access system could be installed. This degree of accessibility is vastly superior to many older tower structures and rooftop viewing areas, which are only accessible by stairs. Whilst we note that this may not be able to be fully overcome, it should not diminish the value of retention of the Tower.

As noted above, wind issues should be noted and appropriate management strategies instigated. The wind loading regime is likely to be significantly different following the construction of the Headland Park.

4.1.2 Heritage Status

“The HCT engenders a range of views on its heritage significance with some strongly advocating the value of the tower whereas others are much more modest in the value they see in retaining the tower.”

We believe that this statement misrepresents the community’s views on the heritage significance of the HCT. The Trust suggests that there is a broad consensus amongst skilled heritage practitioners and assessors that the HCT is of state significance – this is reflected in the original Sydney Ports Corporation assessment, the National Trust listing and the NSW Heritage Council’s intention to list it on the State Heritage Register. The Rintoul report prepared for BDA to support demolition is a divergent assessment.

The Trust also takes issue with the contention that the lapse of the listing in statutory Heritage and Conservation Registers between Sydney Ports and the BDA provides evidence of a loss of heritage value. We consider that this is, in fact, a non-conformance with Section 170 (4) of the NSW Heritage



Act and that discussions regarding 're-assessment' are merely a distraction from this glaring non-conformance. We have highlighted particularly relevant words in the extracts below:

Section 170 (4) of the *Heritage Act 1977* requires that a Government instrumentality:

....shall enter in the register details of each item of the environmental heritage:

*(a) which is of **a class prescribed by the regulations**, and*

*(b) which: (i) in the case of a statutory body, **is owned or occupied by the statutory body**, or*

(ii) in the case of a Department Head.....

The relevant regulation (Heritage Regulation 2012 – No 401 Of 2012) states:

22 Items to be included in Heritage and Conservation Registers

(1) The following classes of items of the environmental heritage are prescribed for the purposes of section 170 (4) (a) of the Act:

(a) items that are listed as heritage items under an environmental planning instrument made under the Environmental Planning and Assessment Act 1979,

(b) items that are subject to an interim heritage order,

(c) items that are listed on the State Heritage Register,

(d) items identified by the government instrumentality concerned as having State heritage significance.

As the HCT was listed in the Sydney Ports Heritage and Conservation Register as an item of State significance, this is, of itself, prima facie evidence that the item is an item of environmental heritage and the Barangaroo Authority has been in breach of the provisions of Section 170 in its decision not to add the HCT to its statutory Heritage and Conservation Register since it acquired care and control.

4.1.3 Social Significance of the HCT

In general, the Trust considers that this whole section is a convoluted attempt to talk down the heritage significance and the motivation for conservation of the HCT.

Further, it uses blinkered hindsight to assume that the creation of Port Botany was, in the 1980s, predicated upon the ultimate closure of Sydney Harbour as a trading port. The Trust suggests that this is entirely erroneous and the decision to close Sydney Harbour to this trade evolved only over the last decade.

4.1.3 Environmental Significance of the HCT

This section, like the previous one, is a poor attempt to reach a pre-determined conclusion. We note also that the construction of the Headland Park has evolved into a highly terraced, man-made form. It is not "naturalistic", apart from the inclusion of plantings along these terraces.

4.2 Option Advantages/Disadvantages

4.2.1 Option 1A: Retain as is

"HCT only represents a small part of the maritime history of the Barangaroo site. Scale of the structure disproportionally overshadows / outweighs the other aspects / eras of the ports activity i.e. tower represents only 40 of 225 years in the history of the port."

The Trust notes that the HCT represents the culmination of a process of operational and technological evolution of maritime operations and is the key representation of the late twentieth



century part of this maritime history. The scale of the structure does not overshadow the far more numerous and rich representation of pre-container port working harbour in the Hungry Mile, Hickson Road, Finger wharves or waterside warehouse buildings. We would suggest that the dominance of Walsh Bay by the Finger Wharves is significantly greater than the impact of the HCT. Were the HCT to be removed, then structures representing the previous 70 years to the HCT would disproportionately overshadow all other eras of the Ports activity.

“Detracts from the vision of the naturalised headland, which forms the basis of the Concept Plan terms of approval”.

The Trust notes as per section 2.3, the current view that the removal of the tower is not required to achieve the naturalised headland concept, it being only one option, and that the original application from BDA included the retention of the HCT. That is, the original vision for the naturalised headland did not demand removal of the HCT – it is in fact part of the original vision. The Trust would suggest, in view of the evolved presentation of the Headland Park as a series of horizontal terraces, the verticality of the tower is a valuable visual contrast to the Headland Park.

“Dissatisfies other stakeholders who see the HCT diminishing the visual amenity of the Headland Park”.

This is not a legitimate “disadvantage”; it is a matter of visual ‘taste’. The Rocks was once considered by some as a visual blight, yet, with time and advantageous management, it is now a valuable icon for Sydney. Stakeholders should have a reasonable expectation that the matter of the HCT will be considered in its totality, with due regard for its heritage significance and an exhaustive analysis of the various options.

“While the tower is a ‘landmark’ structure, retention in mothballed state does not add to the diversity of use of the parkland.”

This is false by virtue of the acknowledgement that it is *“likely to attract some additional visitation to Headland Park”*. Heritage appreciation and tourism is already acknowledged as a diversity of use that retention of the HCT would bring to the Headland Park and which demolition would remove. In addition, the HCT has been previously been used in New Years’ Eve celebrations and could play a role in festivals such as Vivid. The retention of the HCT opens up a great diversity of additional uses for the Headland Park.

“Precludes potential to include a massive oculus (skylight) into the design of the cultural space”.

The Trust would suggest that, firstly, this is not the case and, secondly, there is ample opportunity to place a skylight in various locations or configurations into the design of the cultural space whilst retaining the HCT. Most importantly, the oculus is proposed as an interpretation of the (removed) tower – the retention of the tower is preferred.

“HCT intrudes on the experience aims of the parkland space”.

The Trust notes the aims of *“recreation, expression, celebration, and community”*. Heritage is fundamental to our understanding of ourselves as a *community*. The HCT’s retention and adaptation is a *celebration* of that heritage and, as a landmark, is an *expression* of our city’s maritime identity. Retention offers additional *recreation* opportunities otherwise not offered, such as heritage tourism. The Trust suggests that retention options offer more in terms of these all these ‘experience’ aims. Demolition provides no additional *“recreation, expression, celebration, and community”* but,



instead, involves the antithesis of celebration of our community's heritage by diminishing the expression of our past and reducing the scope for diverse recreation activities.

4.2.2 Option 2A: Reuse the HCT at its current height for a Viewing Platform

See comments in 4.2.1

4.2.3. Option 2B: Reduce the HCT to 50m with basic artistic treatment

See comments in 4.2.1

4.2.4 Option 3: Removal / demolition of the Tower

"Present an opportunity to interpret not only the role of the HCT from 1992 until 2009 but the complete story of the evolution of the Port of Sydney and Australia's oldest working harbour."

This statement could be best described as "heritage unspeak". The tower currently gives us that opportunity and, in fact, does so without the need for recourse to interpretive signage. The HCT ensures an authentic and legible urban fabric, whilst reliance on interpretive techniques means that only those within the Headland Park will be able to interpret its role. It diminishes the possibility of those at other locations around the harbour to interpret our maritime heritage. This in no way can be considered an improvement in terms of heritage conservation and interpretation.

In addition, it should be noted the time period 1992 to 2009 is inconsistent with the statement "loses a symbolic visual reference to 1970s maritime control of the Port of Sydney". This is actually a visual reference to maritime control of the Port of Sydney for 4 decades.

"removes an element that significantly detracts from the achievement of the naturalised headland form..."

As per 4.2.1, this is a questionable conclusion, both because it is obvious that the Headland Park can be achieved regardless of the presence of the Tower and also because it is not a foregone conclusion that the visual quality of the headland park will be so exceedingly fine as to sweep all other considerations aside.

"Dissatisfied stakeholders who wish to see the HCT retained".

This section amounts to the banality that "some will be pleased; others will not". As per 4.2.1, stakeholder satisfaction in this regard relates to the reasonable expectation that the matter of the HCT will be considered in its totality, with due regard for its heritage significance and an exhaustive analysis of the various options.

"Enhance not only intimate vistas from within Millers Point but views of Millers Point from the harbour and adjacent headlands"

This is more unsubstantiated opinion. Additionally, the HCT is a well-recognised local landmark, bringing into question the notion of whether it is indeed an enhancement of the view from adjacent headlands to lose such a landmark.

"Removes the on-going maintenance liability of an ageing piece of infrastructure"

Notes that with inclusion of current revenue sources, demolition is \$1,442,401.42 more expensive on 20 year NPV than Option 1 – Retention as is. In addition, it involves the loss of a heritage asset with a range of potentially profitable uses.



“Sustainability benefits”

Please see Section 5 for an in-depth unpicking of this concept.

“Creates the potential to integrate a massive oculus (skylight) into the design of the cultural space”.

This is not mutually exclusive with retention of the HCT, as per section 4.2.1.

“Increase amenity of the parkland”

As noted in 4.2.1, the experiential aims of “recreation, expression, celebration, and community” are better served by retention than demolition. It is also a heritage attraction, as it is noted that it will increase patronage to the Headland Park and has a range of potential uses that provide amenity through cultural events and festivals.

5. Multi-weighted sensitivity

5.1 Assessment Methodology

Noted

5.2 MCA Assessment, 5.3 MCA Weighted Sensitivity, 5.4 MCA Outcomes Summary

Our analysis of the multi-weighted sensitivity is broken into two parts. The first is the assessment of the two additional options identified by the Trust, without re-evaluation of the Value Network’s assessment on the various criteria. The second is the reassessment of Options 1 (retain-as-is), Option 3 (demolition) as well as the additional two options identified, in light of the issues the Trust has raised within the rest of this document.

The two additional options identified by the Trust are as a multiple-use space within the current built form, and taking the HCT to market either as a sale or lease arrangement following a process of consultation with the relevant authorities to facilitate potential changes in use. These options are considered Option 2C: *Multiple-use space* and Option 2D: *Sale/lease at market value*.

Due to the prohibitive costs and significant modification required for the two adaptive reuse options considered within the Value Network report, the Trust will focus on what it views as the three credible alternatives to demolition.

Option 2c *Multiple-use space*

The analysis of this option adopts the costs of Retain-as-is Option as a baseline and offers scope for greater public utilisation, sustainability and reduced public expense. It would use the space at the highest market value in line with the potential capabilities of the structure. These capabilities might be augmented by small additional works. This option should allow for accurate market testing of interest in the structure, in a way that seeking out particular operators does not, as it allows the most flexible mix of uses that maximises return. Options within this include: function space, pop-up space, restaurant/bar, conference/board room use, cultural hire, tours and public viewing and climbing.

We would note that the use of this area on a night such as New Years Eve, Australia Day or any other night on which Sydney Harbour hosts fireworks would be a completely unique and potentially lucrative source of revenue for the HCT.



It should be noted that access even by stairs alone to the viewing area would be comparable to the popular viewing opportunities presented by old buildings with more difficult access issues. For example, the Cathedral of Notre Dame at 69 metres is a similar climb to this tower from Merriman Street. This could provide an alternative to the higher-cost guided climbs such as Bridge Climb.

To ascertain the scope of this option, the HCT's capabilities should be identified, along with the range of possible alterations to the Tower that may be acceptable, and this option should be then put out to market.

Option 2d Sale/lease at market value

The HCT could be put to market in a more general way, following a process to outline a pathway to for achieving a change in use with sustainable adaptation. Adaptive re-use has occurred with numerous complicated and unique industrial structures worldwide – water towers, silos, factories, batching plants, lighthouses, and other structures with access and structural limitations, for a range of public, commercial or private uses. These opportunities are often sought after and the Trust envisages that the HCT could be an opportunity to achieve a globally-acknowledged example of this, which could increase the attraction of the Headland Park.

Such adaptations can still ensure public access on “open house” days or on other terms, in the case of a commercial operation. A leasehold condition could also be included for use of the HCT for fireworks on special events such as New Years Eve and for use during festivals such as Vivid. This can ensure that a sale or lease would still facilitate significant public amenity through the HCT.

Offering this one-of-a-kind structure to market with guidance on actions required to facilitate its change of use, the Trust anticipates, would yield a significant opportunity for generating revenue, owing to the uniqueness of the space. This option would require dialogue with the relevant consent authorities, further market testing and assessment of capabilities.

Scope for Profit

To indicate the potential for these use to be sustainable, if one is to factor in the revenue from telecommunications hosting as done in this document, the HCT would break even over 20 years with revenue of around \$850 a day or \$310,000 per annum. Were the HCT to receive a naming sponsor of \$50,000 per annum, the required return would be closer to \$710 a day.

Considering that Sydneysiders are known to pay significant amounts for tickets for major events such New Year's Eve, the Trust suggests that the market should be able to realise the necessary return for a properly managed HCT.

As further context, a café of 52m² is currently up for rent for \$83,000, down the road from the HCT on Kent Street. With around four times the floor space available in the HCT, a good operator or an appropriate mix of uses should be able to yield at least an equivalent rate per square metre than a café without the HCT's unique 360 view of Sydney Harbour. The Trust contends that such a proper market testing has not been undertaken.

Assessment of Options 2c and 2d in line with Value Network assessment

Our assessment of Options 2c and 2d are compared below to the existing assessment by Value Network of Options 1 and 3. Please note that, as Option 2c has not been market tested, these are the lower range of outcomes for Option 2c, assuming additional revenue but not producing a profit. Option 2c should be taken as the lowest possible outcome for this option.



Criteria	Option 1 Retain as is	Option 2 Adaptive Reuse		Option 3 Demolition
		2c Multi-use Space	2d Sale/lease at market rate	
Criteria 1 Design Excellence	Low 10	Low 10 As per Option 1	Low 10 As per Option 1	Exceptional 50
Criteria 2 Stimulate Patronage	Very Good 40	Exceptional 50 Will attract additional visitation.	Very good 40 As per Option 1, depending on adaptive use.	Average 20
Criteria 3 Parkland Experience	Average 20	Average 20 As per Option 1	Average 20 As per Option 1	Very Good 40
Criteria 4 Public enjoyment/ amenity	Average 20	Very good 40 As per Option 2A which noted that viewing platform reuse will provide additional amenity to the parkland.	Good 30 As per Option 2A commercial access or “open house” will provide additional amenity to the parkland, but degree depends upon the model.	Good 30
Criteria 5 Public Safety	Low 10	Good 30 Change of use will require compliance and therefore manages public safety issue.	Good 30 Change of use will require compliance and therefore manages public safety issue.	Very Good 40
Criteria 6 Heritage Asset	Very Good 40	Very Good 40 As per Option 1	Very Good 40 As per Option 1	Average 20
Criteria 7 Heritage Context	Average 20	Average 20 As per Option 1	Average 20 As per Option 1	Very Good 40
Criteria 8 Long term sustainability	Fail 0	Average 20 Reused structure requires funding but with operational benefit from revenue.	Very Good 40 Similar to Option 3 - Changed ownership avoids the need for ongoing maintenance outlay.	Very Good 40
Criteria 9 Total Asset Management	Low 10	Average 20 Revenue sources defray ongoing inspection/ maintenance/ investment regime costs.	Very Good 40 Similar to Option 3 - Changed ownership removes the need for an ongoing inspection/ maintenance/ investment regime. Changed ownership removes/defrags future liability for major refurbishment.	Very Good 40
Criteria 10 Value for Money	Good 30	Very Good 40 As per Option 1 with additional revenue sources.	Exceptional 50 Option would remove cost liabilities and potentially generate significant revenue.	Average 20
MCA Score	200	290	320	340



MCA Weighted Sensitivity

Criteria	Option 1 Retain as is	Option 2 Adaptive Reuse		Option 3 Demolition / removal
		2c Multi-use Space	2d Sale/lease market rate	
Criteria 1: 10% Design Excellence	Raw Score 10 Weighted Score 1	Raw Score 10 Weighted Score 1	Raw Score 10 Weighted Score 1	Raw Score 50 Weighted Score 5
Criteria 2: 10% Stimulate Patronage	Raw Score 40 Weighted Score 4	Raw Score 50 Weighted Score 5	Raw Score 40 Weighted Score 4	Raw Score 20 Weighted Score 2
Criteria 3: 5% Parkland Experience	Raw Score 20 Weighted Score 1	Raw Score 20 Weighted Score 1	Raw Score 20 Weighted Score 1	Raw Score 40 Weighted Score 2
Criteria 4: 5% Public enjoyment/ amenity	Raw Score 20 Weighted Score 1	Raw Score 40 Weighted Score 2	Raw Score 30 Weighted Score 1.5	Raw Score 30 Weighted Score 1.5
Criteria 5: 15% Public Safety	Raw Score 10 Weighted Score 1.5	Raw Score 30 Weighted Score 4.5	Raw Score 30 Weighted Score 4.5	Raw Score 40 Weighted Score 6
Criteria 6: 30% Heritage Asset	Raw Score 40 Weighted Score 12	Raw Score 40 Weighted Score 12	Raw Score 40 Weighted Score 12	Raw Score 20 Weighted Score 6
Criteria 7: 5% Heritage Context	Raw Score 20 Weighted Score 1	Raw Score 20 Weighted Score 1	Raw Score 20 Weighted Score 1	Raw Score 40 Weighted Score 2
Criteria 8: 5% Long term sustainability	Raw Score 0 Weighted Score 0	Raw Score 20 Weighted Score 1	Raw Score 40 Weighted Score 2	Raw Score 40 Weighted Score 2
Criteria 9: 5% Total Asset Management	Raw Score 10 Weighted Score 0.5	Raw Score 20 Weighted Score 1	Raw Score 40 Weighted Score 2	Raw Score 40 Weighted Score 2
Criteria 10: 10% Value for Money	Raw Score 30 Weighted Score 3	Raw Score 40 Weighted Score 4	Raw Score 50 Weighted Score 5	Raw Score 20 Weighted Score 2
Total Weighted Score	25	32.5	34	30.5
Sensitivity Rating	4	2	1	3



Results

The above analysis has taken its cues directly from the Values Network assessments of the various options and shows that Option 2D: Sale/lease and Option 2C: Multi-use space are preferred options to demolition. It is worth noting, however, that as Option 2C was done under a conservative assessment of additional revenue but not delivering a profit, Option 2C has is only marginally underperforming compared to Option 2D.

After undergoing a process of market testing, this could reveal that Option 2C performs as well as or better than Option 2D, and in such a case would be the preferred option of the Trust due to its scope to maximise a range of uses and access, unless that was factored explicitly as an aim in into the formulation of change of use in option 2D.

Upon Values Network's own assessment of the criteria, the Trust believes that demolition is not the preferred option for the HCT. There are two alternatives which ought to be explored to derive a proper assessment of options, in light of Option 2C and Option 2D delivering more favourable outcomes than demolition.

Reassessment due to errors within Value Network assessment

The National Trust contends that there are errors in judgement which introduce a bias into the Value Network report. The errors are listed below in line with the various criteria and the Trust has provided a conservative reassessment of the Values Network assessment in light of them. Our rationale is outlined below.

Design Excellence

The Trust considers the retention of the HCT as achieving the highest design excellence. For the purpose of this exercise, however, we acknowledge that BDA's concept of Design Excellence relates solely to their vision for the Headland Park, which does not include the HCT. Given the obvious heritage significance of the HCT, we suggest that there are flaws in this vision.

We also note the HCT is not visible from many locations within the park, owing to its location on the junction of the park and Merriman Street. In fact, the Trust would suggest that because of the topography, plantings and location of the tower, most views to the west, north or south from the centre or periphery of the park will not contain the HCT. This undermines the notion that it significantly detracts from the achievement of the naturalised headland, located as it is on its edge.

Stimulate Patronage

The Trust notes the many additional uses that would stimulate patronage of the headland park with the retention options, such as being a part of the NYE celebrations, or a festival such as Vivid for which the HCT would be a unique structure. Conservatively, we have not increased the rating of the retention options to ensure the differentiation between options 1 and 2c is permitted by its significant increase in use options.



Parkland Experience

The Trust contends that the statement that the “*HCT intrudes on the experience aims of the parkland space*” of “recreation, expression, celebration, and community” is fundamentally flawed. Heritage is fundamental to our understanding of ourselves as a *community*. The HCT’s retention and adaptation is a *celebration* of that heritage, and as a landmark is an *expression* of our city’s maritime identity. Retention and adaptation both offer additional *recreation* opportunities otherwise not offered. The Trust contends that all retention options offer more in terms of these ‘experience aims’ than its demolition.

Public enjoyment/amenity

The Trust notes that all the retention or adaptive options provide a greater “range of diverse uses that are enjoyable and accessible to the public and local communities”. Thus we reassess ‘Retain-as-is’ and ‘Sale/lease’ as scoring more highly than demolition and the multi-function space more highly still.

Public Safety

The report costs all options inclusive of maintenance and upkeep. In addition, those managing the HCT would be obliged to not let it fall into a state of neglect endangering public safety. Therefore it is disingenuous to suggest that public safety would be low on any ‘Retain’ model. Properly funded and managed, it should be considered good unless there are serious issues of mismanagement.

Heritage Asset

The Trust agrees that that the retention, upkeep and maintenance of the HCT as a Heritage Asset would be a “Very Good” outcome. The removal of the structure is not an “Average” outcome, however, as it involves the removal of a significant aspect of Sydney’s maritime history. Whilst we note that interpretation is intended, we would suggest that this is not an “Average” outcome for a building that is structurally sound. We have ranked this outcome as “Poor”. As suggested by the Burra Charter of Australia ICOMOS, interpretation is to be used as a last resort, where the story of a place cannot told by its physical fabric.

Heritage Context

The HCT is a fundamental part of the area’s heritage context and is one of many significant and large maritime structures in the vicinity. Other such significant and large structures include the Hungry Mile – a wall, many hundreds of metres long and many stories high, of sandstone and concrete, and the adjacent chasm of Hickson Road, the warehouse buildings that frame it and the finger wharves which completely dominate Walsh Bay. These four elements all date from the pre-container port era and, without the retention of the HCT, would completely overshadow and outweigh the significance of the container port phase. The Heritage Context would then skew to represent one phase, at the expense of another.

This is not a “contextual inconsistency” that demolition would remove. This is the most significant structure from the container port era in this location and to remove it would remove significant evidence of this phase. The importance of retaining the HCT has been increased by the development of the naturalistic headland park, increasing the rarity of remnants of this phase.



It should be noted that natural light can be delivered to the sandstone cliff in the cultural void through an alternative skylight within the retention and adaptation options, such as one surrounding the retained tower, and that the understanding of the sandstone cliff is better aided by the presence of the tower itself than its absence.

In addition, the HCT and the Harbour Master's House on Goat Island 9 and the Signal Station at South Head) each represent different phases in the development of the Port and their relative geographic positions are key aspects of the story that they represent. They together tell the story of the Harbour Masters of Sydney. Retention options preserve *both* natural and man-made connections in the inner harbour, ensuring the greatest authenticity to the Heritage Context.

Long Term Sustainability

Barangaroo is intended to be a carbon neutral development, so the sustainability gain from the "light well to cultural void" and energy demand from the tower should be considered in this context. This report does not calculate the carbon impact of demolition, nor the value in the retention of existing structures for their embedded energy. Adaptive re-use allows for that embedded energy to be maintained. That being said, the retention of the tower is no barrier to the delivery of natural light through an alternative skylight to the cultural void.

The Trust contends that, in a carbon neutral development as large as this one, the amount of natural light into the cultural void, unless calculated to be so significant as to markedly impact the amount of artificial light used, will have a low impact upon this development which aims for carbon neutrality. The energy use of the retained tower is similarly limited and could be offset by avoiding the sustainability negatives of demolition. The assessment of each option has been reassessed in light of the above comments.

Total Asset Management

The Trust has outlined how the non-inclusion of income in the assessment means that the financial options are not properly outlined. Apart from the existing revenue sources that are not included in this report, there are potential revenue sources that the Trust has identified, such as sponsorship, which apply even if the HCT is retained as-is with no adaptation. The two additional options proposed by the Trust, Options 2C and 2D, could be very significant in their additional revenue sources.

In addition, the Trust has raised potential uses of this asset which are of value but not considered in this report. The HCT has already been used in New Years Eve celebrations and the Trust envisages that it could find uses in festivals such as Vivid, which were not available whilst it was an operating infrastructure asset.

Value for Money

In terms of Value for Money, the retention of this important heritage asset has significantly reduced costs on the Value Network estimates, due to the inclusion of revenue and identification of potential other sources of revenue. The value of the demolition option has been adjusted to reflect the greater gap in terms of its higher NPV to retain the HCF.



Criteria	Option 1 Retain as is	Option 2 Adaptive Reuse		Option 3 Demolition
		2c Multi-use Space	2d Sale/lease at market rate	
Criteria 1 Design Excellence	Low 10 Good 30. This option allows for delivery of the headland park, and that this option was sought by BDA when the headland park was initially proposed due to its adequacy, even if not its preferred option. Whilst the Trust considers retention exceptional, it acknowledges that its removal is BDA's preferred design option.	Low 10 Good 30. This option allows for delivery of the headland park, and that this option was sought by BDA when the headland park was initially proposed due to its adequacy even if not its preferred option. Whilst the Trust considers retention exceptional, it acknowledges that its removal is BDA's preferred design option.	Low 10 Good 30. This option allows for delivery of the headland park, and that this option was sought by BDA when the headland park was initially proposed due to its adequacy even if not its preferred option. Whilst the Trust considers retention exceptional, it acknowledges that its removal is BDA's preferred design option.	Exceptional 50
Criteria 2 Stimulate Patronage	Very Good 40	Exceptional 50	Very good 40	Average 20
Criteria 3 Parkland Experience	Average 20 Exceptional 50 These uses offer greater scope for recreation, expression, celebration and community.	Average 20 Exceptional 50 These uses offer greater scope for recreation, expression, celebration and community.	Average 20 Exceptional 50 These uses offer greater scope for recreation, expression, celebration and community.	Very Good 40
Criteria 4 Public enjoyment/ amenity	Average 20 Very Good 40 Provides greater public enjoyment and amenity than option 3.	Very good 40 Exceptional 50 Provides greatest scope for public enjoyment and amenity.	Good 30 Very Good 40 Provides greater public enjoyment and amenity than option 3.	Good 30
Criteria 5 Public Safety	Low 10 Good 30 Ranking public safety as low implies that the HCT would be neglected, which is inconsistent with the	Low 10 Good 30 Ranking public safety as low implies that the HCT would be neglected, which is inconsistent with the obligations of its	Good 30	Very Good 40



	obligations of its managers and the allotment of funding to its upkeep. A well-maintained HCT would not offer a public safety risk.	managers and the allotment of funding to its upkeep. A well-maintained HCT would not offer a public safety risk.		
Criteria 6 Heritage Asset	Very Good 40	Very Good 40	Very Good 40	Average 20 Poor 10 Loss cannot be “offset by interpretive measures”, and therefore is generously considered a “Poor” outcome.
Criteria 7 Heritage Context	Average 20 Very Good 40 Maintains heritage context.	Average 20 Very Good 40 Maintains heritage context.	Average 20 Very good 40 Maintains heritage context.	Very Good 40 Fail 0 Removes heritage context by removing most significant vestige of container port phase and its visual connection to previous port phases. Weakens legibility of connection with Goat Island in terms of the evolution of harbour management. Dampens the interplay of residential and maritime uses that typifies the whole precinct.
Criteria 8 Long term sustainability	Fail 0 Good 30 Reused structure will be part of carbon neutral Barangaroo with low energy use, and	Average 20 Good 30 Reused structure will be part of carbon neutral Barangaroo, and retains embedded energy. No	Average 20 Good 30 Reused structure will be part of carbon neutral Barangaroo, and retains embedded energy. No	Very Good 40 Average 20 Demolition of structure with significant embedded energy is a poor



	retains embedded energy. No barrier to delivery of natural light to cultural void.	barrier to delivery of natural light to cultural void.	barrier to delivery of natural light to cultural void.	sustainability outcome. Will not affect carbon neutral status of Barangaroo, nor is it required to deliver natural light to cultural void.
Criteria 9 Total Asset Management	Low 10 Average 20 Sources of revenue mean that annual maintenance and utilities are already covered by revenue, would require only require increase in revenue sources to cover significant future costs. Maintains unique asset for potential future use, with scope for additional revenue sources.	Average 20 Good 30 Revenue sources defray ongoing inspection/ maintenance/ investment regime costs, scope for significant future revenue to achieve profitability and maintain asset.	Very Good 40	Very Good 40 Average 20 Loss of asset with scope for significant unconsidered uses that have not been valued, and scope for future revenue. Despite this it does remove liabilities and ongoing costs should use not derive sufficient revenue.
Criteria 10 Value for Money	Good 30	Very Good 40	Exceptional 50	Average 20 Poor 10 Significantly higher NPV than retaining with current and potential revenue sources, loss of heritage asset.
MCA Score	310	350	350	230



MCA Weighted Sensitivity

Criteria	Option 1 Retain as is	Option 2 Adaptive Reuse		Option 3 Demolition / removal
		2c Multi-use Space	2d Sale/lease market rate	
Criteria 1: 10% Design Excellence	Raw Score 10 30 Weighted Score 1 3	Raw Score 10 30 Weighted Score 1 3	Raw Score 10 30 Weighted Score 1 3	Raw Score 50 Weighted Score 5
Criteria 2: 10% Stimulate Patronage	Raw Score 40 Weighted Score 4	Raw Score 50 Weighted Score 5	Raw Score 40 Weighted Score 4	Raw Score 20 Weighted Score 2
Criteria 3: 5% Parkland Experience	Raw Score 20 50 Weighted Score 1 2.5	Raw Score 20 50 Weighted Score 1 2.5	Raw Score 20 50 Weighted Score 1 2.5	Raw Score 40 Weighted Score 2
Criteria 4: 5% Public enjoyment/ amenity	Raw Score 20 40 Weighted Score 1 2	Raw Score 40 50 Weighted Score 2 2.5	Raw Score 30 40 Weighted Score 1.5 2	Raw Score 30 Weighted Score 1.5
Criteria 5: 15% Public Safety	Raw Score 10 30 Weighted Score 1.5 4.5	Raw Score 10 30 Weighted Score 1.5 4.5	Raw Score 30 30 Weighted Score 4.5	Raw Score 40 Weighted Score 6
Criteria 6: 30% Heritage Asset	Raw Score 40 Weighted Score 12	Raw Score 40 Weighted Score 12	Raw Score 40 Weighted Score 12	Raw Score 20 10 Weighted Score 6 3
Criteria 7: 5% Heritage Context	Raw Score 20 40 Weighted Score 1 2	Raw Score 20 40 Weighted Score 1 2	Raw Score 20 40 Weighted Score 1 2	Raw Score 40 0 Weighted Score 2 0
Criteria 8: 5% Long term sustainability	Raw Score 0 30 Weighted Score 0 1.5	Raw Score 20 30 Weighted Score 1 1.5	Raw Score 40 30 Weighted Score 2 1.5	Raw Score 40 20 Weighted Score 2 1
Criteria 9: 5% Total Asset Management	Raw Score 10 20 Weighted Score 0.5 1	Raw Score 20 30 Weighted Score 1 1.5	Raw Score 40 Weighted Score 2	Raw Score 40 20 Weighted Score 2 1
Criteria 10: 10% Value for Money	Raw Score 30 Weighted Score 3	Raw Score 40 Weighted Score 4	Raw Score 50 Weighted Score 5	Raw Score 20 10 Weighted Score 2 1
Total Weighted Score	25 34.5	29.5 39	34 38.5	30.5 22.5
Sensitivity Rating	4 3	3 1	1 2	2 4



When taking into consideration existing and potential revenue sources, reappraising the assessment of heritage significance and context in light of current best practice and explicitly considering the aims and experience of the parkland, the results presented are starkly different to those produced in the Value Network Pty Ltd report

The Trust's alternative two uses – a multi-use space and a sale/lease at market rate – are clear high performers. In these two Multi Criteria Assessments, they have proven that they warrant full exploration as legitimate adaptations of the HCT that outperform the demolition option in both financial and social returns.

Nonetheless, even if use cannot be found or facilitated, when a more accurate financial situation and prospects are analysed, the uses of a retained tower explored and it is properly understood as part of its heritage context, it is clear that retention is preferred significantly to demolition.

6. Option Cost Assessment

6.1 Option Cost Comparison

The Trust would like to note the significant overstating of the Option Cost of Option 1: Retain As Is. The Trust contends that the Option Cost Comparison is incomplete, as it does not factor in current and potential revenue sources for the retention options.

Inclusion of the \$100,000 per annum (approx.) for the hosting of telecommunications infrastructure, the difference in terms of cost comparison with Option 3 would become significant. If options such as sponsorship of the tower and other potential revenue sources were developed, then the Trust could envisage retention as being even more attractive financially. It contains within it the bonus of asset retention and the long-term opportunity for future uses to be found.

6.2 Option Cost Discussion

Noted.

Appendix 1

Noted

Appendix 2

The Trust has serious objections to the materials quoted in Appendix 2. These views are reflected in the rest of our submission and will not be dealt with as part of this review of the OAR



Conclusion

The HCT Options Assessment Report displays a remarkably poor level of assessment of an object that has been considered to be of state significance. It is unacceptable in its current form for the assessment of the various options for the HCT.

The OAR does not assess all options available. The most logical reuse options are not considered, and have not been tested in the market in a way that seeks to define and utilise the capabilities of the structure. In addition, in its assessment, the OAR does not account for the current income and other revenue generating potential uses of the structure.

Little effort seems to have been made to make any option other than demolition particularly attractive – little lateral thinking or enterprising thought has been applied to the various ways by which this structure can realise its value – down to the level of not acknowledging its past use in significant cultural celebrations such as the NYE Fireworks.

The Trust supports the use of a Multi Criteria Assessment for the consideration of the various options for this structure, to ensure that heritage considerations are not downplayed against one particular aesthetic viewpoint. We think it this Multi Criteria Assessment can be valuable in guiding the decision-making process on the future of the HCT with additional work.

The Trust has outlined significant issues within this report which renders void its conclusions and recommendations. All reasonable options for adaptive use of the HCT have not been considered. Our analysis of the framework shows that demolition is the worst possible result, if one corrects for significant lack of balance within the Options Assessment Report. Even if one accepts the errors of the Value Network analysis, it is clear that the adaptive reuse options still outperform demolition.

The Trust would also note that retention-as-is does not preclude future use. In fact, it allows the HCT to evolve in function as the Barangaroo and Millers Point undergo fundamental changes over the coming years. Retention includes within it the precautionary principle that is fundamental to heritage practice.

Not only is retention less expensive, it also offers far more opportunities for use and enjoyment of the headland park, better achieving its aims when they are considered in detail. For a headland park that is diverse, celebratory and offers greatest scope for community expression and recreation, the Harbour Control Tower clearly delivers in a way that its absence would not.