

PART II

PORT OF NECASTLE

HERITAGE ASSET MANAGEMENT STRATEGY

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DOCUMENT CONTROL

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GLOSSARY OF TERMS

CMP	Conservation Management Plan
HAMS	Heritage Asset Management Strategy
Heritage Guide	State Agency Heritage Guide: Management of Heritage Assets by New South Wales Government Agencies
PON	Port of Newcastle
Port Lessor	Port of Newcastle Lessor Pty Ltd

1. INTRODUCTION

The purpose of this Heritage Asset Management Strategy (HAMS) is to implement the principles and guidelines outlined in the *State Agency Heritage Guide: Management of Heritage Assets by NSW Government Agencies* ('Heritage Guide') (See Appendix A), for those heritage assets managed by Port of Newcastle.

This document forms Part II of the Port of Newcastle Heritage and Conservation Register prepared by Port of Newcastle and EJE Heritage dated November 2014.

This HAMS relates to heritage assets owned by Port of Newcastle Lessor Pty Limited, a proprietary company of which the only shareholder is the NSW State Government and proprietor of the land the subject of the Port Lease. Port of Newcastle (PON) is the long term lessee of this land and other assets that form the Port of Newcastle, having commenced a 98 year lease from the NSW State Government on 31 May 2014.

1.1 LEGISLATIVE FRAMEWORK

Section 170 of the *Heritage Act 1977* requires government agencies to prepare a Heritage and Conservation Register to assist in their care of heritage assets. Government agencies are responsible for ensuring that the items entered on its Heritage and Conservation Register are maintained with due diligence in accordance with State Owned Heritage Management Principles.

Pursuant to the Port Lease (A1631867J) between Port of Newcastle Lessor Pty Limited (**Port Lessor**) and Port of Newcastle Investments (Property) Pty Limited, (**Port Lessee**), Port of Newcastle (PON) acting as the Port Lessee, must, *at its cost, discharge any obligations imposed on Port Lessor under the Heritage Act 1977 (NSW) relating to the Total Concession Area or any Improvements*. The Total Concession Area as described in the Port lease includes the leased land and adjoining wet lands.

1.2 NSW HERITAGE POLICY FRAMEWORK

The Total Asset Management Heritage Asset Management Guideline states that:

"Government policy, conveyed through relevant legislation, requires that where assets are assessed as having heritage values, the assets are to be regarded as inalienable. This means:

- *the agency's responsibilities cannot be ignored or avoided and cannot be transferred to another organisation without approval;*
- *heritage values are to be understood, respected, protected and conserved ;*
- *no material change can be made to an asset without approval by relevant authorities; doing only as much as is necessary to protect and reveal the significance of an asset; doing work which makes heritage assets useful and secure;*
- *heritage considerations should be factored into all asset management activities and budgeting; and*
- *the agency has an over-arching responsibility to administer assets for the benefit of the people of New South Wales. (pp 7)*

This being so, PON must fulfill all obligations in accordance with the *Heritage Act 1977 (NSW)*, and the State Agency heritage management framework established under its provisions.

Port of Newcastle Lessor Pty Ltd, as owner of the heritage assets, will remain responsible for them, unless ownership is transferred to other entities in accordance with the State Agency heritage management framework. This framework will continue to apply to whichever State agency has ownership, and, in accordance with legislation, must be complied with both at present and in the future.

The framework is provided by the Heritage Guide, which, in accordance with the *Heritage Act 1977 (NSW)*, is endorsed by the Heritage Council of New South Wales and the Minister responsible for heritage. As stated in the Heritage Guide:

“The management of heritage assets is a State agency service responsibility, to be jointly managed with other service delivery responsibilities and given a high priority in the corporate planning and budgetary processes. It is recognised that the effective management of heritage assets will achieve an appropriate balance between the twin objectives of efficient provision of government services and conserving the State’s heritage for future generations.” (pp 5)

These guidelines do not require that heritage issues should always be given priority over all other asset management issues. They do, however, aim to ensure that heritage issues are adequately assessed as part of the wider asset management considerations.

1.3 PORT OF NEWCASTLE

Port of Newcastle’s vision is to maintain Newcastle’s position as one of the leading and most efficient global scale coal export ports and facilitate continued growth and development of existing and new trades in a sustainable manner.

PONs mission is to promote and support the prosperity of the Hunter Region and New South Wales in a sustainable manner. In this regard, PON will:

- Provide efficient port infrastructure to facilitate regional, state and national economic growth.
- Maintain a safe and rewarding workplace for all employees.
- Promote and facilitate improvements to supply chain performance.
- Collaborate with stakeholders to deliver the benefits of trade growth, including with surrounding communities.
- Manage environmental impacts of port operations and development.
- Deliver effective commercial outcomes for customers.
- Undertake sustainable investment and deliver commercial returns for shareholders.

PON recognizes its moral and legal responsibilities in providing and promoting the environment for its employees, contractors, customers, port users, visitors and member of the public. IT commitment to these responsibilities is outlined in PONs Environmental Policy provided at Annexure B.

PON also maintains an Environmental Management System based on the principles of *AS/NZS ISO 14001:2004 Environmental Management Systems* to assist in complying with all relevant environmental legislation, government policies and legal requirements. The EMS includes procedures for managing heritage, including regular review of the Heritage and Conservation Register, and maintenance of heritage assets.

1.4 PORT OF NEWCASTLE HERITAGE AND CONSERVATION REGISTER

PON has prepared a Heritage and Conservation Register in accordance with the NSW Government and Heritage guideline *How to prepare and use Heritage and Conservation Registers* in accordance with section 170 of the *Heritage Act 1977 (NSW)*. In accordance with Section 170 of the Heritage Act, the register identifies items:

- Listed on the State Heritage Register;
- Listed on an environmental planning instruments (local or significant items);
- Subject to, or that could be subject to, an interim heritage order (potential local or state significant items).

The Register has three components:

- Part I - A thematic history of Newcastle Port;
- Part II - Port of Newcastle Heritage Asset Management Strategy (this document);
- Part III - A list of the heritage assets managed by PON.

The Heritage and Conservation Register will be reviewed annually in accordance with legislation and outlined in procedure EMS 015. The review will take into account the following:

- Newly acquire heritage assets;
- The addition of new information about existing heritage assets e.g. the completion of a conservation management plan for a heritage asset;
- The disposal of any item;
- The cessation of occupation or control of a heritage asset not owned by Port Lessor; or
- The demolition of a heritage item.

1.5 HERITAGE ASSET MANAGEMENT STRATEGY

The Heritage Guide further states that each State agency is required to develop a Heritage Asset Management Strategy ('HAMS') to implement the principles and guidelines:

Responsibility is placed on the various State agencies to prepare and implement a Heritage Assets Management Strategy. The guidelines require that State agencies take a more integrated approach to heritage management, follow best practice, and achieve genuine heritage outcomes of benefit to the community.

This document has been prepared by PON in accordance with the following publications and guidelines:

- *State Agency Heritage Guide: Management of Heritage Assets by New South Wales Government Agencies;*
 - *Part 1 State-owned Heritage Management Principles*
 - *Part 2 Heritage Asset Management Guidelines;*
- *The Burra Charter: the Australia ICOMOS Charter for Places of Cultural Significance 2013;*
- *NSW Heritage Office, Preparing a Maintenance Plan 2004;*and
- *How to prepare and use Heritage and Conservation Registers.*

2. HERITAGE ASSET MANAGEMENT

The Heritage Asset Management Strategy (HAMS) should seek to assist in the conservation of PON's heritage assets. In accordance with the Heritage Guide, the HAMS incorporates the following components:

1. a Management Action Plan;
2. an Asset Maintenance Plan;
3. an Asset Transfer Plan;
4. a Redundant Assets Transfer Plan;
5. a Performance and Reporting Plan; and
6. a completion date for the Heritage and Conservation Register.

2.1 MANAGEMENT ACTION PLAN

A HAMS must include a staged strategy to achieve the conservation and management of identified items, or classes of items, listed on the Port of Newcastle Heritage and Conservation Register. The Management Action Plan is to have regard to core functions of PON, its services delivery and budgetary limitations and availability of funding (*Heritage Guide pp 18*)

The Heritage Asset Management Guideline (Total Asset Management) states that

"The best way to effectively manage a heritage asset is to maintain a viable and living use for it. Many State-owned heritage assets such as schools, courthouses and fire stations remain in full and active use. As a general rule, this ensures their maintenance and conservation. However, it is important that heritage values are not jeopardised by short-term decisions by owners, occupiers or users, for example through inappropriate development, use, maintenance or refurbishment. Part of agencies heritage management responsibilities is ensuring that building users are aware of heritage significance and conservation constraints. Where appropriate this may extend to the occupiers or users having contractual obligations." (pp 14)

2.1.1 Obligations

PON acknowledges the following obligations in the management of its heritage assets:

- compliance with the *Heritage Act 1977* (NSW);
- compliance with the State Agency Heritage Guide;
- compliance with the Port of Newcastle Strategic Asset Management Framework;
- the need to act in accordance with PON functions and service delivery requirements; and
- the need to act in accordance with PON budgeting requirements, constraints and funding availability.

2.1.2 Principles

PON will be guided in the management of its heritage assets by the following principles:

- An acknowledgement that PON manages a range of heritage assets of local significance including buildings, relics and trees.
- An acknowledgement that PON must ensure the appropriate management of its heritage assets within the NSW legislative and planning environment.
- An acknowledgement that management of the heritage assets must be integrated with PONs activities and strategic plans.

- An acknowledgement that the staff of PON must be aware of the nature and importance of the heritage assets.

2.1.3 Processes

PON will adhere to the following processes in the conservation and management of its heritage assets:

- the PON Heritage and Conservation Register under the *Heritage Act 1977* (NSW) s. 170 will continue to be reviewed at least annually;
- the management of the heritage assets of PON will be in accordance with the HAMS;
- the specific conservation and maintenance responsibilities of any other entity, or entities, to which heritage assets held by PON are transferred, will be specified; and
- heritage assets will be dealt with in accordance with the relevant provisions of the *Heritage Guide*.

2.1.4 Implementation

To implement the Management Action Plan, PON will do the following:

- Annually review the PON Heritage and Conservation Register; and
- Adhere to the HAMS.

These actions are reflected in the Heritage Management Strategy Action Plan in Section 3.

2.2 ASSET MAINTENANCE PLAN

The Burra Charter defines maintenance as “*the continuous protective care of the fabric and setting of a place, and is to be distinguished from repair*”. The NSW Heritage Branch classifies the maintenance of heritage assets within three main types:

1. Corrective Maintenance;
2. Planned Maintenance; and
3. Emergency Corrective Maintenance.

The Asset Maintenance Plan must have regard to all of these. This plan will assist in meeting conservation outcomes, while optimising financial efficiency of PON’s maintenance schemes.

2.2.1 Obligations

For PON, asset maintenance involves maintaining assets:

- if listed in the State Heritage Register: to the standard specified in the Heritage Regulation 2012, in accordance with the *Heritage Act 1977* (NSW).

and/or

- If listed in the Port of Newcastle Heritage and Conservation Register: to the standard mandated in the Heritage Guide, as promulgated in accordance with the *Heritage Act 1977* (NSW) as follows:

“Heritage assets are to be maintained in a manner which retains heritage significance, with the

objective of preventing deterioration and avoiding the need for expensive “catch-up” maintenance and major repairs.” (Heritage Guide pp 6)

2.2.3 Corrective Maintenance

Corrective Maintenance as defined by the NSW Heritage Office publication, *Preparing a Maintenance Plan (2004)* includes such work as is necessary to bring a heritage asset or assets to an acceptable standard. This involves corrective maintenance to assets:

- If listed in the State Heritage Register to the standard specified in the Heritage Regulation 2012, in accordance with the *Heritage Act 1977 (NSW)*.

and/or

- If listed in the Port of Newcastle Heritage and Conservation Register: to the standard mandated in the Heritage Guide, as promulgated in accordance with *the Heritage Act 1977 (NSW)* as follows:

“Heritage assets are to be maintained in a manner which retains heritage significance, with the objective of preventing deterioration and avoiding the need for expensive “catch-up” maintenance and major repairs.” (Heritage Guide pp 6)

2.2.3 Planned Maintenance

Planned Maintenance as defined by the NSW Heritage Office publication, *Preparing a Maintenance Plan (2004)* includes work to prevent failure which recurs predictably within the life of a building, such as cleaning gutters or painting. This involves maintaining assets:

- If listed in the State Heritage Register: to the standard specified in the Heritage Regulation 2012, in accordance with the *Heritage Act 1977 (NSW)*.

and/or

- If listed in the Port of Newcastle Heritage and Conservation Register: to the standard mandated in the Heritage Guide, as promulgated in accordance with the *Heritage Act 1977 (NSW)* as follows:

“Heritage assets are to be maintained in a manner which retains heritage significance, with the objective of preventing deterioration and avoiding the need for expensive “catch-up” maintenance and major repairs.” (Heritage Guide pp 6)

2.2.4 Emergency Corrective Maintenance

Emergency corrective maintenance, as defined by the NSW Heritage Office publication, *Preparing a Maintenance Plan (2004)*, is that which must be immediately initiated for reasons of health, safety, and security, and/or work which, if not undertaken, might result in the rapid deterioration of the structure or fabric. It might potentially include the health, safety and security of employees, contractors, and such members of the public who enter the lands and facilities as of right, incorporating the meeting of obligations under the *Workplace Health and Safety Act 2011 (NSW)* and under the common law duty of care. Some examples are: roof repairs after storm damage; graffiti removal; or the repairing of broken glass. A daily response system detailing who is responsible for urgent repairs should be prepared.

This involves maintaining assets:

- If listed in the State Heritage Register: to the standard specified in the Heritage Regulation 2012, in accordance with the *Heritage Act 1977 (NSW)*

and/or

- If listed in the Port of Newcastle Heritage and Conservation Register: to the standard mandated in the Heritage Guide, as promulgated in accordance with the *Heritage Act 1977 (NSW)*: as follows:

“Heritage assets are to be maintained in a manner which retains heritage significance, with the objective of preventing deterioration and avoiding the need for expensive “catch-up” maintenance and major repairs.” (Heritage Guide pp 6)

2.2.5 Principles

PON will adhere to the following principles in the maintenance of heritage assets:

- Conservation planning should be aimed at retaining heritage values.
- Maintenance programs should be effectively and prudently managed.
- Persons responsible for a heritage asset will have access to all relevant information concerning that asset.

2.2.6 Processes

Maintenance work will be conducted in accordance with the State Agency Heritage Management Guide. In particular,

- staff and contractors are to be appropriately qualified to undertake work on the heritage assets.
- staff and contractors are to be made aware of the significance of the heritage assets, together with their responsibilities in the course of work affecting those assets.

2.2.7 Implementation

To implement the Asset Maintenance Plan, PON will work to ensure that:

- maintenance of heritage assets be conducted in accordance with the Port of Newcastle Strategic Asset Management Framework; and
- internal heritage asset management procedure is prepared for managers of heritage assets within PON.

These actions are reflected in the Heritage Management Strategy Action Plan in Section 3.

2.3 ASSET TRANSFER PLAN

The Heritage Guide states that “*the transfer of ownership or control of heritage assets that are surplus to the State Agency’s requirements needs to be planned and executed so as to conserve the item’s significance.*”(pp 46)

This is a strategy for the management and conservation of heritage assets with no apparent economic re-use options. Where heritage assets do not meet the service delivery needs of PON, adaptive re-use options and alternate management options, including transfer or lease to other parties, should be thoroughly investigated prior to any proposal to demolish.

PON should prepare and implement a plan outlining management requirements for heritage assets proposed for transfer. The plan should outline measures to achieve the long-term conservation of the heritage asset(s), in accordance with the State Agency Heritage Guide.

2.3.1 Obligations

The heritage assets managed by PON may, from time to time:

- be considered for transfer from the ownership of Port Lessor or, control and/or management by PON by way of the sale or leasing of the places or facilities in which they are situated; or
- be assessed as being better maintained by entities other than PON.

These circumstances will involve the transfer of ownership, control and/or management of the affected heritage assets, or the conclusion of a contractual lease or licence agreement involving responsibility for the use and maintenance of those assets.

2.3.2 Principles

- Decisions as to transfer will be made in accordance with the assessed heritage significance of the asset.
- PON must act in such a way as to permit the Company to fulfill all obligations in accordance with the *Heritage Act 1977 (NSW)*, and the State Agency heritage management framework established under its provisions.
- Only such entities assessed by the Heritage Council of New South Wales as having the necessary resources and expertise for the care and maintenance of the heritage asset shall be considered as proper recipients of the transfer.
- In accordance with the *Heritage Act 1977 (NSW)*, s. 170A(1)(a), PON will provide the Heritage Council of New South Wales with 14 days’ written notice before it removes the heritage asset(s) from the Heritage and Conservation Register.
- In accordance with the *Heritage Act 1977 (NSW)*, s. 170A(1)(c), PON will provide the Heritage Council of New South Wales with 14 days’ written notice before it ceases to occupy, or demolishes, any place, building or work entered in the Heritage and Conservation Register.

Note: transfer of ownership, control and/or management includes short, medium or long-term transfer by lease, license or by placement under the care, control and/or management of a local council or community group or Crown Property.

2.3.3. Processes

Assets transfer from PON to other entities will proceed only in accordance with the *Heritage Guide*, which mandates the taking of measures to maintain the significance of the heritage asset during and after transfer of ownership.

The Assets Transfer Plan should maintain the significance of the heritage asset with transfer of ownership. This is achieved by:

- seeking a compatible use for the heritage asset;
- ensuring that the recipient is fully informed of, and understands, the heritage significance of the asset, any statutory or non-statutory heritage listings and their effect, and the management policies for the asset;
- providing copies of any Conservation Management Plans, and any other relevant information, as part of the transfer documentation;
- documenting of heritage assets and their management requirements;
- documenting of management requirements for movable items;
- where relevant, compiling recommendations for the management of land within the curtilage or setting of a heritage asset;
- including recommendations for the treatment of archaeological remains;
- identifying the type and degree of change that might occur without detriment to the heritage asset;
- ensuring that the heritage asset is secure, and that the risk of damage is minimised, both prior to the transfer process and during it;
- where applicable (for example, in a lease), including requirements for an appropriate level of maintenance, so as to conserve the heritage significance of the asset;
- where practicable, that provision is made for public access and interpretation after transfer; and
- considering the preparation of individual asset transfer plans for heritage assets, or for a class of heritage assets.

2.3.4 Implementation

Before a transfer of ownership or control of a heritage asset which, at the time transfer is contemplated, is owned or controlled by PON, the company will:

- Identify the likely value of the benefits of disposal of the asset(s), in terms of heritage values and financial values;
- identify the type and degree of change that could occur;
- identify any contractual, fiduciary or other obligations or agreements by which retention of the heritage asset(s) is necessary or desirable;
- identify any potentially negative effects of the disposal of the heritage asset(s), in a global, individual or other sense;
- where applicable (for example, in a lease), requirements are to include an appropriate level of maintenance to conserve heritage significance of the asset(s);
- identify the needs of the asset(s) with regard to care and maintenance;
- seek a use for the asset(s) compatible with its heritage significance, and likely to conserve its fabric over the long run;
- identify an entity potentially qualified to receive, care for and use for the public benefit the asset(s) contemplated for transfer;
- ascertain from the Heritage Council of NSW whether the identified entity is regarded by

that agency as having the necessary resources, expertise and capacity for the care and maintenance of the heritage asset(s) shall be considered as proper recipients of the transfer;

- ascertain whether the identified entity is willing to accept the transferred asset(s), emphasising the desirability of providing public access to it, with an interpretation plan that includes thorough documentation of the asset(s), with management requirements for moveable items;
- ensure that the recipient is fully informed of, and understands, the heritage significance of the asset(s), any statutory or non-statutory heritage listings and their effect, and the management policies for the asset(s);
- ensure that the asset, together with any requirements for its conservation and management, is sufficiently documented as to its significance, provenance and conservation requirements; provide the entity with copies of the conservation management plan, and of any other relevant documents;
- ensure that the heritage asset is secure and the risk of damage is minimised both prior to the transfer process and during it; and
- where the asset is located on a site contemplated for transfer of ownership or control, make recommendations for the management of the land within the curtilage or setting, as well as for archaeological relics known or reasonably suspected to be located within them.

2.4 REDUNDANT ASSETS TRANSFER PLAN

The Heritage Guide states that *“Management of redundant heritage assets (orphan assets) surplus to the State agency’s needs (but still in the ownership of the agency or under its control) should be planned and executed so as to conserve the item’s heritage significance.”* (pp 6)

This plan constitutes a strategy for the management and conservation of heritage assets that do not meet PON’s needs. These may be dealt with in three ways:

- adaptive re-use, the process whereby a heritage asset is sympathetically altered to serve a purpose other than that for which it was created. An example of adaptive reuse in the context of PON’s operations is the use of several of the crane bases as a base for mooring infrastructure for vessels;
- transfer or leasing to other parties; and
- demolition or removal, but only after the consideration of all other management options.

Some PON heritage assets may, from time to time:

- cease to be required for PON operations; and/or
- be identified as preventing or hindering present or proposed operations.

These contingencies may lead to the suggestion that heritage with no apparent economic re-use options should be demolished, removed or otherwise destroyed. It is, therefore, important that alternate management options, including adaptive re-use and transfer to other parties by way of gift or lease, should be thoroughly investigated before the taking of destructive action. (*Heritage Guide pp 19*)

Adaptive re-use has many advantages, including:

- potentially lower operating costs and, after catch-up maintenance or improvements have

been carried out, potentially lower maintenance costs and lower energy consumption;

- an attractive built environment;
- engagement between PON and the local community, many members of which understand the value the Company's heritage assets; and demonstration of the potential of adaptive re-use, and encouragement of similar schemes.

2.4.1 Principles

Should one or more of the above contingencies be identified, PON will adhere to the following principles:

- The decision as to whether to proceed with the disposal of a heritage asset will be made in accordance with the *Heritage Act 1977 (NSW)* and the guidelines promulgated by the Heritage Branch of the NSW Office of Environment and Heritage.
- the disposal process will proceed in accordance with the requirements of NSW Total Asset Management Services and Systems.
- PON will continue to be responsible for the maintenance of the heritage asset, in accordance with its Asset Maintenance Plan, up to the date on which the transfer of ownership of responsibility for the heritage asset becomes effective.

2.4.2 Processes

- The aim is to find a use that meets the requirements of PON, and concurrently conserves intrinsic heritage values;
- business needs must be balanced with heritage obligations;
- PON will use established methodologies, such as value management and economic appraisal, to help determine which new use, if any, would be appropriate;
- the identification of the likely value of the benefits of disposal of the asset(s), in terms of heritage values and financial values;
- the identification of contractual, fiduciary or other obligations or agreements by which retention of the heritage asset is necessary or desirable;
- the identification of potentially negative effects of the disposal of the heritage asset(s), in a global, individual or other sense;
- the disposal process will proceed in accordance with the Heritage Guide;
- in accordance with the *Heritage Act 1977 (NSW)*, s. 170A(1)(a), PON will provide the Heritage Council of New South Wales with 14 days' written notice before it removes the heritage asset(s) from the Heritage and Conservation Register;
- in accordance with the *Heritage Act 1977 (NSW)*, s. 170A(1)(b), PON will provide the Heritage Council of New South Wales with 14 days' written notice before it transfers ownership of asset(s) from the Heritage and Conservation Register; and
- written notice before it ceases to occupy, or demolishes, any place, building or work entered in the Heritage and Conservation Register.

2.4.3 Implementation

PON should, in accordance with the *Heritage Guide*:

- prior to the transfer of a heritage asset, or assets, insofar as timings allow, PON should use its best efforts to have a heritage asset listed on the State Heritage Register and/or as a heritage item on the relevant environmental planning instrument, currently *State Environmental Planning Policy (Three Ports) 2013*;
- prior to transferring items listed on the State Heritage Register, a State agency should

- ensure that the heritage asset is the subject of a Conservation Management Plan endorsed by the Heritage Council of NSW;
- if circumstances do not allow for the making of a CMP include in the contract of sale that the purchaser is, within a reasonable timeframe, required to prepare and submit a conservation management plan to the Heritage Council for endorsement after the sale, and preferably prior to any application for approval of development;
- ensure that heritage asset(s) transfer occurs in accordance with the notification provisions of the *Heritage Act 1977 (NSW)*, s. 170 A, in providing a minimum of 14 days written notice to the Heritage Council before an agency transfers any item on its Heritage and Conservation Register.
- consider disposing of a heritage asset or assets at below market valuation if, as a result of the disposal, conservation of the asset(s) will occur;
- the disposal of a heritage asset or assets at below market value requires the Treasurer's approval, under "Treasurer's Direction 469.01";
- confirm the heritage significance of an item prior to deciding whether it should be demolished;
- consider demolition of any heritage asset(s), or a substantial portion of it or them, only in exceptional circumstances, and only after establishing there is no prudent or feasible alternative to demolition; and
- consider demolition only as a last resort.

Before deciding to demolish, consider the following options:

- continuing use of the asset(s) in its present role;
- adaptive re-use by the instrumentality or another public or private sector user;
- transfer of the asset(s) to a new owner;
- use or custodianship by a community group; or
- stabilisation and mothballing for future use or conservation; and stabilisation of a building, structure, work or landscape in a safe condition.

Only if they are demonstrated to be unviable should a decision to demolish be made. This assessment of alternatives should be included in project feasibility, assessment and approval documentation. The *Heritage Act 1977 (NSW)*, s. 63, restricts the demolition of heritage items listed in the State Heritage Register.

Should a decision to demolish in fact be made, PON should:

- prior to demolition, record the asset(s) prior to commencing demolition, in accordance with the Heritage Office (now Branch) publications, *How to Prepare Archival Records of Heritage Items* and *Photographic Recording of Heritage Items using Film or Digital Capture*; and
- lodge the record with the State Library, University of Newcastle Cultural Collections, and the Local Studies collection of Newcastle Region Library.

2.5 PERFORMANCE AND REPORTING

The *State Agency Heritage Guide* requires that the implementation and appropriateness of the HAMS be monitored by way of a performance indicators and regular review relative to the heritage asset type and functions of PON.

2.5.1. Performance Requirements

The following table sets out the performance indicators adopted by PON:

Performance Indicator	Performance Criteria
Heritage conservation outcomes.	Compliance with the State Agency Heritage Guide
Business outcomes	Operational requirements of PON.
Projected performance in accordance with requirements of <i>Heritage Act 1977</i> (NSW).	Actual performance as determined in course of annual review of Heritage and Conservation Register under <i>Heritage Act 1977</i> (NSW), s.170(5).
Heritage and Conservation Register.	Accurate and timely revision and maintenance of Heritage and Conservation Register in accordance with <i>Heritage Act 1977</i> (NSW), s. 170(5).

2.5.2 Reporting Obligations

In accordance with the *Heritage Act 1977* (NSW), PON is obliged to forward a copy of its at-least-annually revised Heritage and Conservation Register, together with amendments, to the Heritage Council. It is also obliged to allow persons to inspect the Register, or provide a copy of it, within specified parameters, in accordance with Clause 170(7) of the Act.

A copy of the Heritage and Conservation Register will be available on PON's website at www.portofnewcastle.com.au and by inspection at the PON office during business hours, as required by Clause 170(7) of the Act.

PON also provides a copy of the Heritage and Conservation Register to Port of Newcastle Lessor Pty Limited, in accordance with the Port Lease which sets out the obligations by which PON is to prepare the Heritage and Conservation Register.

2.6 COMPLETION OF HERITAGE AND CONSERVATION REGISTER

The Port of Newcastle Heritage and Conservation Register was completed in November 2014.

A copy of the Heritage and Conservation Register was provided to the Heritage Council of New South Wales for its endorsement on 16th December 2014. The State Heritage Register Committee of the Heritage Council of NSW endorsed the 2014 Port of Newcastle Heritage and Conservation Register on 1 April 2015. See Appendix C.

3. IMPLEMENTATION

This section identifies the current and future actions by PON for management of its heritage assets based on the heritage management principles and implementation actions set out in Section 2.

The table below summarizes the strategies and actions PON will undertake to manage its heritage assets. It also provides a timeframe for implementation within PON's resources and the Division within PON that is responsible for carrying out this action

Table 1: Heritage Management Strategy Action Plan

Strategy	Action	Timing
Identify Heritage	Annually review the PON Heritage and Conservation Register. <i>(Environment and Planning)</i>	November each year
	Submit to Heritage Council for endorsement of S170 Register, if amended. <i>(Environment and Planning)</i>	Completed (See Appendix C)
	Develop procedure to ensure regular review of the Heritage and Conservation Register <i>(Environment and Planning)</i>	Completed
Asset Management	The management of the heritage assets of Port of Newcastle will be in accordance with the HAMS. <i>(Infrastructure Services, Environment and Planning)</i>	Ongoing
	The maintenance of heritage assets is conducted in accordance with the Port of Newcastle Strategic Asset Management Framework. <i>(Infrastructure Services)</i>	Ongoing
	Develop heritage asset management procedure for managers of heritage assets within PON. <i>(Infrastructure Services, Environment and Planning)</i>	Ongoing
	Develop an Asset Transfer Plan in accordance with the principles, processes and requirements of Section 2.3 if it is determined that a heritage asset is to be transferred to another entity. <i>(Environment and Planning, Legal, Infrastructure Services)</i>	As required
	Develop a Redundant Asset Transfer Plan in accordance with the principles, processes and requirements of Section 2.4, if it is determined that a heritage asset is redundant. <i>(Environment and Planning, Legal, Infrastructure Services)</i>	As required
	Develop a detailed Asset Maintenance Plan for the	Within 2 years

	Carrington Hydraulic Engine House. <i>(Infrastructure Services, Environment & Planning)</i>	
	Review EMS – Heritage Management Procedure <i>(Environment and Planning, Internal EMS Auditor)</i>	Every 2 years
	Ensure ongoing funding for maintenance of heritage assets in forward budget. <i>(Infrastructure Services)</i>	Annual
	Identify heritage assets on PON GIS and property database. <i>(Infrastructure Services, Information Management)</i>	Within 2 years
Education and Training	Develop procedures to ensure that staff and contractors are to be made aware of the significance of the heritage assets, together with their responsibilities in the course of work affecting those assets. <i>(Environment and Planning, Infrastructure Services)</i>	Within 2 years
	Ensure staff and contractors are to be appropriately qualified to undertake work on the heritage assets. <i>(Infrastructure Services)</i>	Ongoing
	Communicate and promote PON's heritage assets and heritage asset management strategies to PON staff through Staff Updates etc. <i>(Environment and Planning, Communications)</i>	Ongoing
	Make PON Heritage and Conservation Register available to all staff. <i>(Environment and Planning, Communications)</i>	Ongoing
	Utilise community engagement opportunities, such as the PON's Community Liaison Group to promote PON's heritage assets and HAMS. <i>(Environment and Planning, Communications)</i>	Ongoing
Performance Monitoring and Reporting	Monitor performance of the HAMS. <i>(Environment and Planning)</i>	Annually
	Publish an up-to-date copy of the PON Heritage and Conservation Register on the PON website. <i>(Communications)</i>	Ongoing once HAMS is finalised.

4. REFERENCES

NSW legislation	Heritage Act (NSW) 1977	
Australia ICOMS Incorporated	The Burra Charter the Australia ICOMOS Charter for Places of Cultural Significance	2013
NSW Government and Heritage	How to prepare and use Heritage and Conservation Registers	undated
NSW Heritage Office	State Agency Heritage Guide Management of Heritage Assets by NSW Government Agencies	January 2005
NSW Heritage Office	Photographic Recording of Heritage Items using Film or Digital Capture	2006
NSW Heritage Office	How to Prepare Archival Records of Heritage Items	1998
NSW Heritage Office	Preparing a Maintenance Plan	2004
NSW Treasury	Total Asset Management Heritage Asset Management Guideline	September 2014

5. APPENDIX A: STATE AGENCY HERITAGE GUIDE

<http://www.environment.nsw.gov.au/resources/heritagebranch/heritage/stateagencyheritageguide.pdf>

6. APPENDIX B: PORT OF NEWCASTLE ENVIRONMENT POLICY

Environmental Policy



The purpose of Port of Newcastle (PON) is to provide safe, effective and sustainable port operations and to deliver efficient port development that enhances the economic growth of the Hunter Region and New South Wales.

PON recognises its moral and legal responsibilities in providing and promoting the environment for its employees, contractors, customers, port users, visitors and members of the public. PON maintains an Environmental Management System based on the principles of *AS/NZS ISO 14001:2004 Environment Management Systems* to assist in complying with all relevant environmental legislation, government policies and legal requirements.

PON is committed to:


- Complying with all applicable legal and other requirements;
- establishing, monitoring, reviewing and continually improving environmental objectives, targets and action plans;
- minimising the environmental impacts of our port operations and developments;
- preventing pollution;
- developing and maintaining effective Incident Management System to protect the environment under our control;
- ensuring contractors engaged by PON meet PON's environmental standards and requirements and comply with relevant legislation;
- encouraging port tenants/lessees to meet PONs environmental standards and requirements;
- encouraging port tenants/lessees to act in an environmentally responsible manner. Environmental clauses are to be included in all new leases and environmental management plans are required to be submitted to ensure all relevant federal, state and local regulations are being met and best management practices are adopted;
- communicating the Environmental Management System to all employees and communicate the Environmental Policy to the community; and
- promoting sustainable practices to PON employees.

PON will ensure we have the people, the assets, the know-how and the culture to deliver a consistently high standard of service to our customers and deliver the future needs of our customers in a sustainable manner.



Jeff Coleman
CHIEF EXECUTIVE OFFICER

7. APPENDIX C: HERITAGE COUNCIL ENDORSEMENT OF S170 REGISTER



Office of
Environment
& Heritage

Our reference: DOC14/322211
Contact: Stewart Watters
(02) 9585 6448

Michael Dowzer
Executive Manager Commercial
Port of Newcastle
PO BOX 790
NEWCASTLE NSW 2300

RECEIVED
13 MAY 2015

Dear Mr Dowzer

Re: Port of Newcastle Heritage and Conservation Register and Heritage Asset Management Strategy (HAMS)

Thank you for your letter of 16 December 2014 enclosing a copy of the Port of Newcastle's Heritage and Conservation Register and Heritage Asset Management Strategy (HAMS), submitted on behalf of the Port of Newcastle Lessor Pty Ltd in accordance with the requirements set out in Section 170 of *the Heritage Act 1977* and pursuant to the Port of Newcastle's lease obligations (as the lessee).

The identification, management and protection of government-owned heritage assets—as seen in the context of an agency's operational and service delivery requirements—is not without its challenges. At its heart is the need to reconcile the long term conservation of an agency's heritage assets with the imperatives of broader total asset management investment decisions, including the need to ensure assets are fit-for-purpose, support core government service provision and are essential for delivering an agency's functions.

Through the State-owned Heritage Management Principles and Guidelines, the Heritage Division of the Office of Environment and Heritage and the Heritage Council of NSW seek to support State agencies in meeting some of these challenges while ensuring an important part of what makes NSW unique is safeguarded for future generations.

On 1 April 2015, the State Heritage Register Committee of the Heritage Council of NSW considered the Port of Newcastle's Heritage and Conservation Register and HAMS document.

I am pleased to advise that the Committee resolved to accept the Port of Newcastle's Heritage and Conservation Register. This was premised on the understanding that the 21 items identified in the Port of Newcastle's Heritage and Conservation Register represent only those items within the lease area, and that there are additional heritage items within the port of Newcastle (as identified on the State Heritage Inventory) which lie outside the lease area and which remain the statutory responsibility of the relevant government instrumentality, as this is now defined under the new arrangements.

The Heritage Division will require an electronic version of the Port of Newcastle's Heritage and Conservation Register (as a data file) for import into the State Heritage Inventory. The relevant personnel from our office will be in touch with the Port of Newcastle shortly to facilitate this.

Locked Bag 5020 Parramatta NSW 2124
3 Marist Place Parramatta NSW 2150
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ABN 30 841 387 271
www.environment.nsw.gov.au

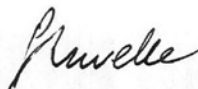
The Committee also resolved to accept, as a draft, the HAMS document but requested that the Port of Newcastle submit a final and more detailed iteration of the HAMS document within six months of the date of this resolution. In accordance with this resolution, the provisional acceptance of the December 2014 draft HAMS will lapse if a draft of the complete HAMS document is not received by the Heritage Division for review and endorsement before 1 October 2015. The final iteration of the HAMS document is to include a detailed articulation of actions, measures and initiatives to be implemented by the Port of Newcastle over a forward planning period to safeguard the heritage assets under its care, control and management.

The level of detail that the Heritage Council of NSW would expect to see in a HAMS document is set out in the State-owned Heritage Management Principles and Guidelines. In preparing a more detailed HAMS document, I would encourage the Port of Newcastle or its heritage consultant to refer to these Guidelines as well as best practice examples of HAMS documents from other State agencies. Staff from our office can assist in identifying such best practice examples. I would also encourage the Port of Newcastle or its heritage consultant to liaise with the Heritage Division to ensure the final iteration of the HAMS document is in line with the Heritage Council of NSW's standards and expectations for State-owned heritage asset planning and management.

Once again, thank you for providing a copy of the Port of Newcastle's Heritage and Conservation Register and HAMS to the Heritage Division of the Office of Environment and Heritage. We are committed to working with our stakeholders and partners to safeguard, protect and manage the State-owned heritage of NSW.

If you have any questions about the above, please contact Anthony Hanna on (02) 9585 6451 or at anthony.hanna@environment.nsw.gov.au or Stewart Watters on (02) 9585 6448 or at stewart.watters@environment.nsw.gov.au.

Yours sincerely



11-05-2015

Dr Siobhan Lavelle OAM
Manager, Listings
Heritage Division
Office of Environment & Heritage