

HEADLAND PRESERVATION GROUP

———— Save Middle Head Campaign ————

13 October 2014

The Hon. Greg Hunt, MP
Minister for the Environment
Parliament House
Canberra, ACT, 2600

Dear Minister

ALTERNATIVE PROPOSAL FOR 10 TERMINAL, MIDDLE HEAD, MOSMAN

We refer to our letter to you of 24 September and our subsequent correspondence with Mr Geoff Bailey, Executive Director of the Sydney Harbour Federation Trust.

Attached is the further and more comprehensive proposal foreshadowed in our letters to you and to Mr Bailey, together with illustrative plans. As explained in our letter to Mr Bailey, we appreciate that a formal and detailed proposal will require full and effective consultation with the Trust. It is the intention of the project consortium to work with the Trust to ensure that its final proposal accords with the Trust Act. We would welcome that opportunity as soon as possible and stand ready to progress such with the Trust.

The attached documents indicate how 10 Terminal could be adaptively re-used in a way that fully complies with and furthers the objects of the Trust and its Strategic Plans: in particular to “*protect, conserve and interpret the environmental and heritage values of Trust land*” and to “*maximise public access*” to the land.

Importantly, the proposed adaptive re-use would facilitate the implementation and realisation of Parliament’s stated intent in the Trust Act; namely, that the land be conserved and preserved for the benefit of present and future generations of Australians and that the land be suitable for inclusion in the national parks and reserves system.

Thank you again for your time and interest in seeking and receiving this proposal – one which best serves the past, present and future of this most precious national site for generations.

Sincerely

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cc: The Hon. Tony Abbott, MP, Prime Minister
Senator the Hon. Simon Birmingham, MP, Parliamentary Secretary to the Minister for the Environment
The Hon. Rob Stokes, MP, Minister for the Environment, NSW
The Hon. Jillian Skinner, MP, Minister for Health, NSW
Cr Peter Abelson, Mayor, Mosman Council

The TEN TERMINAL Project

Alternative Proposal for the Adaptive Re-use of 10 Terminal, Middle Head

Shaping the future by preserving our heritage, demonstrating reconciliation, and exposing visitors to enlightening and educational experiences.

The TEN TERMINAL Project is an imaginative plan to adaptively re-use the former defence buildings of 10 Terminal on Middle Head for a multi-use centre called TEN TERMINAL. It will protect heritage values; attract visitors to discover the rich military and indigenous heritage of the area; obtain private funding for restoration of these heritage-listed buildings; and be economically sustainable through a mix of public and private functions.

This Proposal outlines why TEN TERMINAL is the right use for this site, the parties who will use it, how it will accommodate those users, how it will be financed and how it will be managed into the future.

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INTRODUCTION

This document is not a formal development proposal. Rather, it outlines an economically, environmentally and politically feasible concept for a genuine adaptive re-use of the heritage-listed 10 Terminal complex at Middle Head, Mosman.

The concept of this Proposal is consistent with and will further the objects and intent of the Sydney Harbour Federation Trust Act and the Trust’s own vision and Strategic Plans for this significant site.

Headland Park (including Middle Head, Georges Heights and Chowder Bay) is one of our nation’s most significant places. Nowhere else is Australian history, from the First Fleet to the adaptive re-use successes of the Sydney Harbour Federation Trust, so well integrated and visible in one compact location. Its existence is remarkable providence – and reflects the wisdom of past governments having protected the land and heritage sites from encroaching urbanisation.

The 10 Terminal complex is at the heart of this unique area. It is described in the Trust’s Conservation Management Plan for Middle Head (by Robertson & Hindmarsh, 2007) as “an exceptionally rare collection of such buildings at a National level.... retaining evidence of its

original layout.... Probably the only permanent school of military engineering erected in NSW during World War 2.... The deliberate austerity of the design is typical of permanent military buildings of the late 1930s and early 1940s.” It is Commonwealth Heritage listed. As such, the fabric of the building should be preserved in its adaptive re-use, to fulfil the stated heritage management commitments of the Trust in its Strategic Plans and Heritage Strategy.

The **TEN TERMINAL Project** is to adaptively re-use the 10 Terminal complex for the benefit of the wider community as was intended, while preserving and honouring its unique heritage. It involves establishing a cultural interpretation centre focusing on commemorating and interpreting the military heritage of the surrounding areas, appreciating the environmental significance of Middle Head at the gateway to Sydney Harbour, and learning about and celebrating indigenous culture, particularly with respect to the Sydney region.

TEN TERMINAL is the vision of interested parties (the intended consortium) who are or have been associated with the Middle Head area over its history and is designed around the adaptive re-use of the 10 Terminal complex. These interested parties are:

- **The Australian military**, whose association with the area extended for nearly 200 years. TEN TERMINAL is ideally located to interpret the extensive fortifications and military history of the area - the earliest and historically most extensive coastal defence network in Australia dating back to the 1801 fort directly below the 10 Terminal site. The story of our indigenous Defence personnel will be recognised in the military history displays.
- **The indigenous community**, which will have a vibrant living cultural centre with display space and gallery, and areas for education of school children teaching dance, art, story telling and traditional arts and crafts. Middle Head is very significant to the indigenous community and the concept of an Aboriginal Cultural Centre is referred to in the Trust’s Strategic Plans.
- **NSW National Parks and Wildlife Service**, which seeks an information centre for visitors to the Sydney Harbour National Park, which surrounds the 10 Terminal site.
- **Sydney Institute of Marine Science (SIMS)**, which seeks to rent part of TEN TERMINAL for educational purposes.
- **Mosman Council**, which represents one of the most historic areas in Australia and would like a visitor centre and display space.

SITE PLAN AND FUNCTIONS – vision and implementation

1. The Vision for TEN TERMINAL

Shaping the future by preserving our heritage, demonstrating reconciliation, and exposing visitors to enlightening and educational experiences.

2. What TEN TERMINAL Will Do

TEN TERMINAL will be a multi-function site. It will:

- Create places for and install interpretive displays to educate and inspire. Interactive displays and video will bring military and other heritage alive, engage with indigenous culture as a living experience and educate about ecology in the surrounding environment.
- Lease cafes and shops catering for visitors to TEN TERMINAL.
- Lease space to the NSW National Parks and Wildlife Service for an information centre where visitors can obtain information about Middle Head and Sydney Harbour National Park and arrange tours and other activities.
- Lease space to SIMS for educational and other activities.
- Offer serviced and un-serviced office accommodation utilising existing offices whose size and layout suit “small office/home office” applications.

- Promote reconciliation by cultivating greater understanding of indigenous culture through displays, activities and programs.
- Provide a rotating gallery for indigenous and local artists on the extensive wall space in the 10 Terminal buildings. Sale of artwork will generate sales commissions for TEN TERMINAL.
- Provide a range of locations and facilities for school visits, with opportunities for indoor/outdoor learning about military and indigenous history, ecology and marine life.
- Provide an accessible and convenient destination for tourists seeking to see an indigenous centre in conjunction with seeing Australian animals at nearby Taronga Zoo.
- Conserve and interpret the rich history of the Middle Head area as envisaged in the Trust Act, for the benefit of the community, both present and future generations.
- Provide a tangible demonstration of appropriate adaptive re-use of heritage-listed buildings.

3. Site Plan

The functions of TEN TERMINAL will be facilitated by its Site Plan.

The 10 Terminal complex and its surrounds are ideally suited for multiple uses rather than a single “compound” style purpose.

The aim of the Site Plan is to create a “permeable” design integrating indoor and outdoor spaces to achieve the educational, interpretive and commercial objectives of TEN TERMINAL. That will be realised by:

- Conserving the heritage values of Buildings 1,3,6 & 7 as far as practicable, by minimal alteration of the fabric of the buildings.
- Using the different buildings in the 10 Terminal complex and their surrounds creatively for purposes described in the Trust’s Comprehensive Plan and Management Plan for Middle Head.
- Linking the buildings to their surrounds - creating places and opportunities to inform and inspire by combining indoor and outdoor activities for education, indigenous cultural programs, ecological appreciation in the adjacent national park and visits to and exploratory tours of the nearby military fortifications and heritage sites.
- Providing practical ways in which interested parties could best be accommodated in a unique working location, while preserving flexibility to adapt to evolving circumstances and requirements.
- Maximising public access to the 10 Terminal site and buildings.

Attached as **Appendix A** are conceptual layouts developed by the TEN TERMINAL Project in consultation with Bennett Murada Architects, who have detailed knowledge of the layout of the 10 Terminal complex.

It is recognised that the design concepts would be subject to modification as the Proposal is developed in consultation with the Trust and the community, as contemplated in the Trust Act.

It is proposed that there be staged development so as to minimise upfront costs and allow flexibility as to how the available spaces might best be utilised in the light of practical experience.

Staged development with minimal upfront works should also enable the significance of the landmark events of 1915 (Gallipoli) and 1815 (first land grant to aborigines, being “Bungaree’s farm” in the Middle Head area) to be celebrated at TEN TERMINAL in 2015 - the centenary and bicentenary year of those events.

The TEN TERMINAL Project considers that preservation of most or all the existing structures, without increasing the building footprint, best meets the objectives of the Trust Act and the Trust’s Strategic Plans and that this will govern the final appearance of TEN TERMINAL. Accordingly, no separate final design has been submitted.

Attached as **Appendix B** are concepts for interpretive displays at TEN TERMINAL.

The TEN TERMINAL Project is in communication with others who share a similar vision for the 10 Terminal site and is aware of their ideas as to how the buildings may be adaptively re-used. One such idea prepared by a commercial tenant in the ASOPA buildings adjoining the 10 Terminal complex is illustrated in drawings marked “10 Terminal at Middle Head: Possibilities”, shown in **Appendix C**.

As can be seen, there is a strong appetite among a range of future users to see a plan that meets the above objectives. All parties wish to work with the Trust to produce a widely communicated, considered and consulted upon plan.

BUSINESS MODEL

4. Sources of Revenue

The TEN TERMINAL layout allows for various parts of each building to be used for income generating purposes, specifically:

- Admission/entry fees to display areas and galleries.
- Fees from tour management, both guided and self-guided.
- Rents from café/s, book-craft-souvenir shop/s and commercial office space.
- Fees from hire of spaces for exhibitions, events and storage.
- Fees from the hire of facilities for conferences, seminars and educational purposes.
- Fees from hire of rooms for research groups.
- Commission from the sale of art works displayed in the buildings.

Preliminary Income Assumptions				
Source of Income	Area metre²	\$/m²/pa	\$/year	Assumptions
Admission fees & tours			125,000	Estimate 50,000 visitors per year at \$15 entry per family to the interpretive display areas; 10,000 people taking tours per year(one bus per day) net of guide costs. (Blue Mountains Cultural Centre achieved 105,000 visitors with \$175,000 for admission and venue hire.)
Serviced offices in Building 1	224	443	100,000	Estimates based on actual serviced office costs net of receptionist and cleaning costs and using 67% occupancy.
Shop space in Bldg 3	175	443	77,000	Using same net rental as office space
The garage spaces	496	150	74,000	Rentable at high rates after significant renovation but assessed at a low \$150/m2 in the short term
Art sales commission			10,000	Nominal estimate
Exhibition/gallery	122	301	36,000	Use of gallery space one to two nights per week for 3 hours at \$110/hour, plus 10 days per year at \$1,100 per day
Conferences & functions	179	462	83,000	40 days hire p.a. for conferences and 30 evening events p.a. at 75% of the Taronga Centre venue cost
Total initial income per year	1,196	414	505,000	

5. Staged Development

The aim is to have completed sufficient planning and to have raised initial funds to enable a public announcement of the TEN TERMINAL Project early in 2015.

An outline of the staging proposed in the initial period is -

- Make buildings safe and habitable for occupation, with priority given to areas able to be quickly put into income generating condition.
- Obtain operators for cafes and shops.
- Lease rentable spaces.
- Establish the display areas in conjunction with the relevant operators.
- Develop concept designs for the comprehensive adaptive re-use and restoration of the site, including community consultation as required by the Trust's charter.
- Develop long term plans, including preparation of development applications and environmental plans, for the final design.

6. Funding of Capital Costs

TEN TERMINAL has the potential to become an inspiring symbol of commemoration and reconciliation such that it will appeal to a wide cross section of donors.

The project consortium believes it has the private sector contacts and expertise to raise the funds necessary to finance the initial stage of development of TEN TERMINAL, to the stage where it can begin operation.

The TEN TERMINAL Public Fund will be the vehicle for raising the necessary funding.

Capital to fund the long-term development of TEN TERMINAL will need to be raised from a combination of grants, sponsors, benefactors and public fund raising. The project consortium has access to the skills and contacts to identify and make the appropriate approaches.

7. Capital Cost Estimates

In the time available there has been little opportunity to undertake any detailed assessment of the buildings and their condition. However indicative refurbishment costs of \$1 million have been obtained based on an external assessment and on information contained in the Robertson & Hindmarsh Pty Ltd Conservation Management Plan for Middle Head (2007) commissioned by the Trust.

The proposal is to refurbish buildings to the minimum necessary for occupation and short-term rental while planning and fund raising continue for detailed restoration. Basic cost elements are expected to include some or all of the following:

- Emergency Exits, fire and safety up grade
- Basic Electrical Rewiring and lighting
- Assessment for asbestos risk and remediation as necessary
- Investigate condition of the roof and repair if required
- Clean out the ceiling and install thermal insulation
- Provision for basic disability access
- Replacement of Gutters
- External Paint Eaves and Gutters
- Internal refurbishment and floor-covering removal
- Floor Sanding and minor repairs
- Carpentry – window and door repairs
- Internal Painting
- Contingency

8. Operating Costs

As the only facility in Headland Park with a principal focus on meeting the Trust's statutory object of interpreting the environmental and heritage values of the Trust lands in the area, TEN TERMINAL will be somewhat different from the commercial operations elsewhere on those Trust lands. As such, it should be assessed differently in respect of its revenue generating potential for the Trust.

The objective is that the operations of TEN TERMINAL become self-sustaining as soon as possible, with the aim of generating an operating surplus over time as TEN TERMINAL becomes well established and as tourism and other income generating activities develop.

Preliminary estimates of operating costs including staffing, maintenance and overheads indicate that TEN TERMINAL should be able to meet that objective. Inherent in that is the belief that TEN TERMINAL, like similar institutions such as Taronga Zoo, museums, art galleries and historic houses, will attract a significant number of volunteers to assist in its operations and contribute to keeping staffing costs to a minimum.

GOVERNANCE

The initial governance structure of TEN TERMINAL will comprise a company with a Board, a management committee and a public fund.

TEN TERMINAL Company and Board

A not-for-profit company will have overall responsibility for the operation of TEN TERMINAL. It will be governed by a volunteer Board of directors whose primary purpose will be to guide the strategic direction of the company; to use their contacts to raise funds; and to appoint and monitor progress of a management committee.

The Board will comprise prominent individuals who have extensive experience at board level of public companies and not-for-profit organisations, as well as individuals with government and political experience. Eight highly qualified and experienced persons have already expressed an interest and willingness to join the TEN TERMINAL Board if the aged care proposal does not proceed..

TEN TERMINAL Management Committee

The Board will oversee a Management Committee whose role will be to make TEN TERMINAL a reality. The Committee will be independent of the Headland Preservation Group Inc. (HPG) but work with the HPG and the Trust.

The Committee will comprise people with a track record of bringing these types of "public good" development to fruition. It will include people with experience in financial management, fund raising, innovative education, tourism sales and marketing, project execution and operational management.

The Committee will be guided by an advisory panel with museum skills, indigenous credibility, military history expertise and other appropriate inputs.

TEN TERMINAL Public Fund

The TEN TERMINAL Public Fund will be a public fund with Deductible Gift Recipient status established to support the heritage objectives of TEN TERMINAL. In particular it will raise funds to assist in financing the initial restoration and interpretation of the 10 Terminal site. A range of individuals have already made pledges to contribute significant sums to the Fund. Upon realization of the opportunity to progress this Proposal, major corporate and philanthropic partners and commitments will be sought. There is strong interest among such entities even at this early stage.

CONCLUSION

This Proposal for a truly adaptive re-use of 10 Terminal will bring heritage alive and maximise public access consistent with the Trust's Vision and charter. It will honour all Australians and particularly those with a connection to this iconic place. The collaborative multi-use activity will generate interest, support and patronage for generations to come.

2014 is 100 years since the commencement of World War 1. 2015 is 100 years since Gallipoli and 200 years since Governor Macquarie made the first land grant to an indigenous Australian, Bungaree, in the Middle Head area.

It is timely that such a living heritage centre should now be established at 10 Terminal.

Timothy C James

13 October 2014

Dr Peter D Jones, AM