

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS AUGUST 2018 - JANUARY 2019**

Organisation: Hunter & Central Coast Development Corporation

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6 December 2019

Greg Piper MP
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

By Email: pac@parliament.nsw.gov.au

Dear Mr Piper

**Newcastle Urban Transformation and Transport Program
Auditor-General's Performance Audit Report**

We respond to your request to provide the Public Accounts Committee with a submission outlining HCCDC's response to the Auditor-General's report *Newcastle Urban Transformation and Transport Program*, tabled on 12 November 2018.

The Auditor-General's report tasked HCCDC with two actions, both of which were completed in March 2019. The completed actions are presented in the Public Accounts Committee's preferred format in Attachment A while additional detail is provided below.

Recommendation 5 - Program Benefits Realisation Plan

Recommendation

Update and implement the Program Benefits Realisation Plan. This should include:

- a) setting measurable targets for the desired benefits
- b) clearly allocating ownership for achieving the desired benefits
- c) monitoring progress toward achieving the desired benefits and reporting publicly on the results.

Action

In March 2019 HCCDC implemented an updated Program Benefits Realisation Plan (BRP).

In updating the BRP, HCCDC undertook the following activities.

- review the existing BRP (2014) including the outcomes and benefits envisaged at Program inception
- undertake workshops with key State agencies including HCCDC, Transport for NSW and NSW Roads and Maritime Services to determine any changes in scope since Program inception



- analyse demographic and land use changes, recent development approvals and changes in property and land values
- assess changes in economic outlook and investor confidence as evidenced by demographic, land use and property market
- assess the degree to which the outcomes and benefits envisaged as part of the business cases for the Program have been realised to date
- prepare an updated BRP to capture the realisation of benefits and outcomes that are not yet fully realised.

Findings

As the analysis was undertaken prior to light rail services entering a steady state of operations, the study determined the benefits realisation status of the Program in early 2019. The assessment found most targets had already been achieved, summarised as follows:

- scope and costs have changed, but this has largely been to deliver more, and deliver better outcomes
- population and jobs growth for the City Centre is generally in line with expectations
- the University of Newcastle's Honeysuckle City Campus development supports better outcomes for the City than anticipated
- average land values increased by over 160% since 2013, indicating a strong investment environment, underpinned by the NSW Government's investments in the City
- more people are walking and cycling in the city than anticipated.
- light rail services are faster and more frequent than planned, with better connections to the rest of the network
- the Program has delivered better community and heritage outcomes.

Current Status

The BRP is a live document and measurement and management of benefits will continue throughout the project lifecycle. Responsibilities have been set to ensure 24 key benefit measures are tracked, realised and managed. The next round of benefit capture will occur in 2020.

Recommendation 6 – Review of Heritage Outcomes

Recommendation

Work with relevant stakeholders to explore options for increasing the focus on the heritage objective of the Program in projects on the former railway land. This could include projects that recognise the cultural and industrial heritage of Newcastle.

This recommendation was further explained in the report "The focus on railway heritage reflects one important aspect of the recent history of Newcastle. This could be broadened and strengthened by recognising other types of cultural and industrial heritage. The development of new open spaces, such as the Market Street Lawn and the repurposing of Newcastle Station, could present opportunities to do this. The Barangaroo development in Sydney is one example where local indigenous Australian heritage was incorporated into a large urban renewal project. This is a complex area and would require cooperation between multiple government agencies and non-government organisations."



Action

The following actions were undertaken in response to the recommendation:

- collation of heritage outcomes completed or planned at the end of 2018
- held additional workshops with relevant stakeholders with a focus on increasing heritage recognition
- identified further opportunities on lands not yet developed.

The findings of the assessment were included in a report "Review of Heritage Outcomes" dated 29 March 2019.

Heritage Outcomes at End 2018

The assessment identified that the project showed a commitment to deliver heritage outcomes. There had been a significant amount of European heritage assessment, restoration and interpretation across the Corridor, as well as archaeological and Aboriginal assessment. Project included:

1. reburial of Aboriginal artefacts
2. historical image of the former Wickham Station imprinted on the noise wall
3. marble WWI Honour Roll of former Wickham Public School displayed
4. timber WWI and WW2 Honour rolls displayed
5. photoetched stainless-steel signage with information on the European history of the area
6. photoetched stainless-steel signage and information on the Aboriginal heritage of the area and archaeological excavation of Aboriginal artefacts during construction
7. information panels displayed at light rail stops address a key story and reference relevant nearby archaeological finds/heritage items
8. re-use of Honeysuckle Point Station sandstone
9. repurpose of the remnants of a brick abutment that supported an Australian Agricultural Company (AACo) iron railway bridge as an informal seating element
10. public artwork representing former industrial heritage of the city commissioned
11. painted mural by street artist, Adnate, and featuring local Indigenous Elder Auntie June Rose – founder of the Awabakal Newcastle Aboriginal Co-Operative– and her great-granddaughter, 20-month-old Nayeli Green.
12. Civic station to be restored and adaptively reused
13. Civic Station Interpretation Plan to continue to be implemented – includes a range of heritage elements within the landscape and building
14. retention of the sculptural seating designed by artist Jeremy Robinson
15. retention of interpretation industrial heritage signage in Brake Block Park
16. Civic Artwork planned to be installed on a plinth within the garden bed at the entrance to the former Civic Station.
17. Signal Box Restored and adaptively reused
18. range of interpretative elements delivered within the landscaping of Market Street Lawn.
19. Newcastle Station restored and adaptively reused for a range of temporary uses
20. Heritage Interpretation Plan to continue to be implemented – includes a range of heritage elements at Newcastle Station and former bus depot
21. Public Arts Installation "The Flyer"
22. New Affordable housing building design inspired by the past.



Opportunities for Additional Heritage Outcomes

The assessment confirmed the Auditor General's recommendation that opportunity exists to explore cultural and industrial heritage within remaining projects. The assessment recommended that HCCDC:

- Work with stakeholders to implement the Aboriginal Interpretation Strategy within the Newcastle station transition zone.

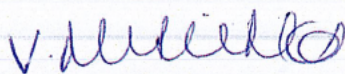
Current Status

Since the Review of Heritage Outcomes was completed in March 2019, HCCDC has undertaken the following tasks:

- Collaboration with City of Newcastle resulting in:
 - dedication of Civic Station and surrounding landscaping
 - Civic Station to be reused for tourism information
 - a statue to be erected of Joy Cummings. Joy was the first female Lord Mayor of Newcastle and the first woman to obtain this office in Australia. She also led the use of Advance Australia Fair during Citizenship Ceremonies and the flying of the Aboriginal flag over the Town Hall, both of which were Australian firsts.
- Collaboration with Office of Environment and Heritage resulting in the lodgement of a development application to landscape the former bus depot on Watt Street. Plans include significant heritage interpretation of the sites former rail usage and associated gas works. Construction is expected to commence in early 2020.
- Collaboration with the local Aboriginal community resulting in the lodgement of a development application to landscape the final stage of Market Street Lawn. Plans include landscape features representing Aboriginal themes, creating a meeting place for storytelling and reflection on the history of the site. Construction is expected to commence in early 2020.

If you require further information on HCCDC's response to the Auditor-General's report, please contact [REDACTED]

Yours sincerely,



Valentina Misevska
Acting Chief Executive
Hunter & Central Coast Development Corporation



ATTACHMENT A
IMPLEMENTATION OF RECOMMENDATIONS

Hunter & Central Coast Development Corporation
Newcastle Urban Transformation and Transport Program

| RECOMMENDATION | | ACCEPTED OR REJECTED | ACTIONS TO BE TAKEN | DUE DATE | STATUS (completed, on track, delayed) and COMMENT | RESPONSIBILITY (Section of agency responsible for implementation) |
|----------------|---|----------------------|--|------------|--|---|
| 5 | HCCDC should: Update and implement the Program Benefits Realisation Plan. This should include: a) Setting measurable targets for the desired benefits b) Clearly allocating ownership for achieving the desired benefits c) Monitoring progress toward achieving the desired benefits and reporting publicly on the results. | Accepted | a) Update plan settling measurable benefits. | March 2019 | Completed. An updated Benefits Realisation Plan was adopted by HCCDC on 29 March 2019. | HCCDC |
| | | | b) Update allocation responsibilities | | | |
| | | | c) Update plan to provide monitoring requirements. | | | |
| 6 | Work with relevant stakeholders to explore options for increasing the focus on the heritage objective of the Program in projects on the former railway land. This could include projects that recognize the cultural and industrial heritage of Newcastle. | Accepted | Provide a summary report outlining and collating work already undertake that addresses this recommendation. The report will also look at further opportunities on lands not yet developed. | March 2019 | Completed. Stakeholder workshops were held. A review of heritage projects within the former railway land completed. The findings are included in "Review of Heritage Outcomes" report dated 29 March 2019. Indigenous, cultural and industrial heritage represented in the landscape design for Civic Station, Market St Lawn extension and Newcastle Station public domain | HCCDC |