Second Reading

Mr BARR (Manly) [10.27 a.m.]: I move:

That this bill be now read a second time.

On 6 June this year the Minister for Infrastructure and Planning announced approval of the Mawland proposal for the conservation and adaptive reuse of the quarantine station, subject to 240 conditions. That was not the final nail in the coffin of the hopes of many in the community that the quarantine station would remain in public hands, but it is close to it. The National Parks and Wildlife Amendment (Quarantine Station) Bill aims to ensure that the quarantine station site is preserved for future incorporation into a sanctuary encompassing the whole of North Head. The bill proposes to achieve this by extinguishing any current lease enabling the adaptive reuse of an existing building or structure on the land and by preventing the Minister from granting any new lease or licence in respect of the land for two years. In other words, the bill puts on hold any lease arrangement for the quarantine station until the sanctuary issue is resolved.

The quarantine station issue, the tendering process and everything that has happened since 1987 seemed to lead inexorably to this position, and I have always been bewildered as to why the State Government would choose to go down this path. Throughout this process the community has been calling for an integrated planning approach to all of North Head, including the School of Artillery site, the quarantine station, and other sites. Instead, although the Government would deny it, we are now seeing a piecemeal approach. North Head should be regarded as a total entity, at the entry to a magnificent harbour. We should not begin the process of siphoning off bits and pieces of it for various uses without putting in place an overarching plan or scheme to deal with this magnificent site.

In May I asked the Premier whether the Government accepted the sanctuary concept for North Head. He responded affirmatively, saying, "North Head is a site of extraordinary natural beauty in the heart of a magnificent harbour." The concept of "sanctuary" conjures up different images and uses in the minds of different people, but common to them all are notions of wildlife management for conservation outcomes, generally within natural habitats; biodiversity conservation; and opportunities for controlled human experience of wildlife in its natural habitat, with a view to increasing people's understanding.

As the Sydney Harbour Federation Trust—which is a very fine body; the people involved in it have a true commitment to conservation principles—has identified in its draft plan and subsequent work, North Head's relative peace and solitude, to be found on the doorstep of our largest city, is an important aspect of its sanctuary value. North Head should, as the trust proposes, become a retreat, a place of contemplation and reflection; a place where the public would be able to enjoy a natural, built environment, on the doorstep of our magnificent city, not much more than a stone's throw from the central business district [CBD]. Very few cities can boast such a facility so close to a CBD. The trust went on to identify the opportunity for "A sanctuary to protect the flora and fauna and provide restricted access to enable visitors to study and appreciate the geo-diversity and scenic beauty of the area ..." The sanctuary concept is consistent with the World Conservation Union's definition of a national park, which is:

A natural area of land and/or sea, designated to (a) protect the ecological integrity of one or more ecosystems for present and future generations, (b) exclude exploitation or occupation inimical to the purposes of designation of the area, and (c) provide a foundation for spiritual, scientific, educational, recreational and visitor opportunities, all of which must be environmentally and culturally compatible.

I emphasise point (b) of the above definition. I have long argued that I believe the leasing of the quarantine station site with a 21-year head lease with options for a further 15 years, then 9 years—in essence, 45 years—amounts to de facto privatisation of the site, but, further, that it is inconsistent with the sanctuary concept. A company with shareholders should not be allowed to operate a prime site such as this, with any revenue flow being returned to the shareholders. It is a unique heritage site, a site that in the past decade or so we have come to value more than we had in the past. I think it has been something of a sleeper in the heritage stakes, and we have only recently come to appreciate its true heritage value.

In my view, leasing the site to a private company for 45 years, when we do not know what will happen in 5, 10 or 15 years, amounts to a dereliction of the Government's duty to preserve such a heritage site for the benefit of the public. I am not aware of examples of other countries doing this sort of thing. I certainly know of countries in which economic activity has been conducted to bring in a revenue flow for the conservation of a site, but that revenue flow has been undertaken via organisations whose sole interest is the conservation and management of a sensitive site. The Ellis Island Foundation is a good example.

That foundation, which has not received a cent in United States Government funding, either State or Federal,
undertakes economic initiatives so that it can further conserve and preserve the island—which was the point of disembarkation in New York for hundreds of thousands, if not millions, of European migrants. Indeed, I think the foundation is even beginning the construction of a hotel near the sensitive area—but not on it—and any revenue flow to come from that is for the benefit of the island, not the shareholders. The fundamental threshold issue in this debate is the transfer of ownership of a unique heritage site to a private hotel operator for the benefit of shareholders—a threshold that the Government has been prepared to cross, and in so doing it has shown a lack of foresight and accounting perspective.

The operator may well have in mind a scheme that the Government likes and thinks will preserve the site and enhance the conservation activities there. However, the fundamental philosophical issue is why the Government does not in the first place retain the site in the care and control of a public body. The events of the past few years have been overtaken by the concept of sanctuary. In July 2002 the Sydney Harbour Federation Trust and the National Parks and Wildlife Service co-hosted a North Head sanctuary forum, at which there were strong endorsements for the sanctuary concept. Since then the trust has commissioned a business and strategic planning consultant and Karori Sanctuary founder, Mr Jim Lynch, to prepare plans for North Head sanctuary. Stakeholder workshops were held in February and May. I attended one of those workshops, at which I met Mr Lynch. The trust is now furthering the sanctuary concept for North Head. In the meantime, however, the Government is going ahead with its leasing proposal for the quarantine station.

I strongly argue that the Government should reconsider the proposal. It should join ranks with the Sydney Harbour Federation Trust to come up with an integrated scheme that incorporates both the old School of Artillery site and the quarantine station site; otherwise a piece of North Head will be excised from the overall planning context, which would be a great shame. The Government has a golden opportunity to do something really special at North Head by putting in place an integrated plan of management so that all citizens of Australia can benefit from such a magnificent site. The implementation of such an integrated plan of management would create the potential for the reintroduction of some of the smaller marsupials, it would allow for interpretive tours of the School of Artillery and the quarantine station, and it would also create opportunities for the public to enjoy the sites. Such a plan of management would also allow for revenue-raising activities to be conducted at both sites.

The convention centre at the quarantine station has been functioning successfully for a number of years and brings in a revenue stream. There is no reason it cannot be expanded and managed properly. It could be leased to restaurants, kiosks or whatever, within the framework of a body that is in public hands, not in the hands of a private hotel operator. That is the crucial difference. The role of the National Parks and Wildlife Service as a co-proponent of the leasing process is, in my view, a total conflict of interest: It cannot be a co-proponent of such a scheme and at the same time manage and look after both the natural and built heritage on the site. The problem all along has been how to deal with the buildings on the site and, as a result, they have been neglected.

Classic examples of that neglect are the two fires that occurred within the space of six months. On 23 October 2001 the P-22 building, which was a magnificent old timber third-class accommodation quarters built in 1883, was totally destroyed by fire. Only a few months later the H1 hospital building, also built in 1883, was also totally destroyed by fire. When the fire brigade attended that fire there were no water hydrants from which to pump water so they had to pump from the harbour. That delayed the whole process and meant that more of the building burned. It was nothing short of a scandal. The destruction of two buildings in six months highlighted that this site had not been looked after properly and had suffered neglect.

A minimal amount of money was spent on bandaid touch-ups to various buildings, but nothing of any real substance was done to protect them from fire or vandalism. It is believed that the fire to the first building was deliberately set, but that is still to be determined. The second fire occurred after some wiring work had been carried out and it appears as though it was an electrical fault, but that also is still to be determined. In relation to the history of the quarantine station, in 1984 the 57-hectare site plus approximately 80 buildings were transferred from the Commonwealth to the State Government. In 1986 the conference centre was established and, as a result, the site gradually became self-supporting.

In 1987 the National Parks and Wildlife Service called for expressions of interest to lease the site. It prepared a draft conservation plan, which subsequently proved to be defective and was redrafted. In 1993—the beginning of this modern phase—expressions of interest were called for the lease of the quarantine station. This process began under a Coalition government and was taken over by the Labor Government. On 31 May 1998 Mawland Development Pty Ltd was selected as the preferred tenderer. In 1999 the Australian Heritage Commission listed the quarantine station as an endangered site. In January 2000 the Minister for the Environment announced the conditional agreement to lease with Mawland Hotel Management.

On 8 October 2001 the Minister for Urban Affairs and Planning announced a commission of inquiry into the adaptive re-use of the quarantine station. The commission's terms of reference were strictly confined to environmental aspects and did not extend to economic returns from the proposal. The economic return from the proposal is one of the sore points in this issue. What will the Government and the people of New South Wales get in return for handing over such an incredible site to Mawlands? The answer is: Not very much at all. In fact, for the first five years there will be no return, and Mawlands will not put very much into the site either. The figures, which have been difficult to obtain from the National Parks and Wildlife Service, have not thrown any real light on the true financial position of the quarantine station, but it suspiciously appears that with appropriate management it could be self-funding.
In July 2002 the report of the commission of inquiry was handed down. Recommendations included the need for a fresh appraisal of the cost benefit of the proposal. On 28 October 2002 a preferred activity statement was released by the co-proponents, the National Parks and Wildlife Service and Mawland, who proposed a direct negation of the recommendations of the commission of inquiry. In December 2002 the Minister for the Environment declared critical habitat for the endangered population of little penguins at Manly. Their habitat overlaps with the Mawland proposal. One of the problems that the community had with the preferred activity statement was the co-proponents' opposition to a dusk curfew on ferry services to the wharf at the quarantine station because of the need to protect the little penguins. The co-proponents argued that it would be better to have more ferry services after dusk because of the risk to the endangered colony of long-nosed bandicoots from vehicle traffic.

In essence, it was a trade-off between long-nosed bandicoots and little penguins, and that was quite unacceptable. It was quite outrageous for the National Parks and Wildlife Service to be involved in such a trade-off. Dr Peter Banks from the University of New South Wales estimated the colony of long-nosed bandicoots on the whole of North Head to be 97. Dr Banks put down 250 traps and caught 97 bandicoots, which means that the number of breeding females was about 27. Dr Banks said at the sanctuary forum that even an 85 per cent loss in habitat will endanger that colony of long-nosed bandicoots. The proposal before the Government will certainly affect the habitat of the long-nosed bandicoots. If it goes ahead it is likely to result in a decline in their population and put them at risk of extinction. This is happening at the same time as the Government has endorsed the sanctuary concepts for North Head. That is a clear and inconsistent approach to the management of the natural environment of that area.

On 30 January 2003 the Heritage Council Approvals Committee held a special meeting to consider the Mawland proposal for the adaptive re-use of the quarantine station. On 5 February the committee gave conditional approval to the proposal, subject to 240 conditions. On 6 June the Minister for Planning announced the approval for the adaptive re-use of the quarantine station, subject to those 240 conditions. The issue is: Where do we go from here, and what is possible? The final nail has not been put in the coffin yet, but it is getting very close. This has been such a long and convoluted process that it has been hard to keep track of everything. Assuming the Minister for the Environment and the Waterways Authority give final approval, once the steps have been completed it will go on public exhibition for consideration of amendments to the Sydney Harbour National Park plan of management, which will close in August.

After the amendments to the plan of the management have been considered, ministerial approval has to be given for the advertisement of an intent to enter into a lease, and Mawland has to provide financial information to PricewaterhouseCoopers, the contractors who will conduct the economic review of the proposal. That is a big step still to be taken. Following that step, negotiations are carried out between the National Parks and Wildlife Service and Mawland, the co-proponents, on the final terms and wording of the final lease agreement. There is an outrageous conflict in all of this.

I make a plea to the Government to let this bill pass through the House and put the process on hold for two years while the sanctuary concept is worked through. That would then integrate the quarantine station with the other sites at North Head so that we achieve an optimum outcome for the people of New South Wales rather than a bits-and-pieces outcome. That is really what the Government has to consider. It still does not have to cross the threshold of handing such a valuable heritage site over to a hotel operator. The Americans did not do it to Ellis Island, and the Europeans do not do it, so why should we do it?

When the returns to the public of New South Wales are so small, why do we have this urge to have a group of historic buildings taken off the books of a government department? This exercise is all about taking the expenses off the books of the Government. The Government should be much more proactive: it should be seeking to do something special for what is a unique heritage site. The site is not just unique in Australia; there are very few comparable sites anywhere in the world. We should be doing all we can to make sure that something really special is done at the site for future generations; not just for the convenience of Treasury or the accountants, but for the benefit of us all. I commend the bill to the House.