

**Supplementary  
Submission  
No 17a**

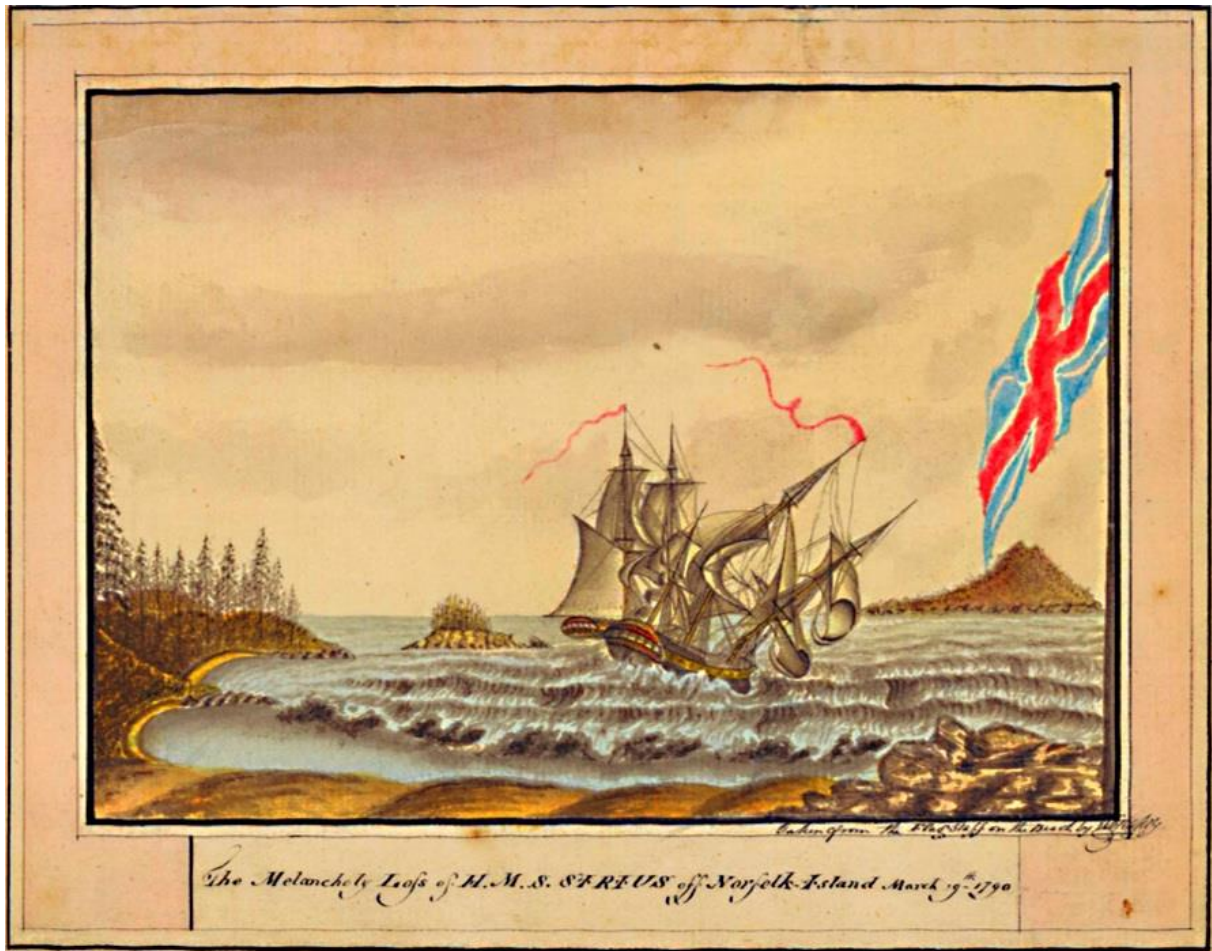
**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE  
HOUSING**

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## THE MELANCHOLY LOSS OF SIRIUS



George Raper, The melancholy loss of HMS Sirius off Norfolk Island March 19, 1790  
(National Library of Australia)

Designed and built by the Housing Commission of NSW for Sydney Cove Redevelopment Authority (now known as Sydney Harbour Foreshore Authority), under a lease between these bodies which runs to the year 2030 and provides for further extension, the Sirius complex was named in honour of the First Fleet vessel, HMS Sirius and her Commander, Captain Arthur Phillip.

The vessel, Sirius, a vital link for the colony with the outside world, was an important asset providing crucial supplies to the fledgling Sydney and NSW settlements. Sirius' loss on 19 March, 1790 was deeply mourned by residents of colonial Sydney and wider NSW as depicted in Raper's drawing 'the melancholy loss of HMS Sirius off Norfolk Island'.

Some 224 years later, exactly to the day, residents and admirers of a successful, cost effective, vital Sydney and NSW asset, the Sirius residential complex, also deeply mourn 'the melancholy loss of Sirius at a press conference off the Cahill Expressway near Circular Quay on March 19, 2014.'



Above is the Phillip meeting room at the Sirius ~ an all party seven member Legislative Council Select Committee on Social, Public and Affordable Housing 'had a look at the Sirius complex' on 12 March, 2014 - source 13 March, 2014 Committee transcript at page 39.

Select Committee members the Hons. Paul Green, Jan Barham, Rick Colless, Sophie Cotsis, Mathew Mason-Cox, Greg Pearce and Peter Primrose, were considering Sirius' long-term cost effective success over 35 years as a housing asset. Residents wanted Sirius to continue being an asset and model for other NSW assets, rather than 'discarded'.

The transcript of the Select Committee's public hearing the next day states the Committee members heard residents' concerns about the lease of the Sirius building to 2030, with the Committee Chair Paul Green stating 'those residents are getting a little anxious as to the Government's approach to this. They would like some comment on the Government's intention as to fulfilling the lease to 2030. Are there any plans for the future of that site or is the Government thinking of breaking the lease? Can you give the Committee some clarity on that?' The answer recorded was that 'no announcement' on the future of the Sirius building had been made by the Government.

That said, within a week of the Select Committee's visit, the sale of Sirius was announced. Whilst recognising that the Government is free to push ahead rather than wait for the Select Committee's recommendations, perhaps pause might be had to ensure what's promised about Sirius is actually going to be delivered.

Prudently, until how the 'direct use' of 'every last cent', which will result from the proposed sale of the Sirius complex can be evidenced to provide confidence that Sirius sales proceeds are being spent in the public housing system, as stated repeatedly by Ministers' Pru Goward and John Ajaka, the 'complex', 'sensitive' and 'important' Sirius project, being undertaken to be delivered by FACS secretary Michael Coutts-Trotter, should be placed in abeyance and the potential re-location of Sirius tenants and work on the Sirius sale should be placed on hold. With this evidential proof will come important support for the community benefits being espoused by the Government.

Additionally, explanation as to the numbers behind how a recent Government admitted broke, financially unsustainable housing system can be fixed simply by the sale of a high functioning, successful asset like Sirius is sought so that doubts are calmed and fears allayed.

### **The melancholy loss of the Sirius complex off Cahill Expressway near Circular Quay March 19, 2014.**

#### **1. Sirius is an asset that reflects a deal - the contractual arrangement between government, residents and the unions to lift the green bans in 1975, as consideration for Sirius being built for public housing.**

A deal is a deal - Governments have had over 35 years benefit from the original deal and now want to cease obligations simply as it no longer suits. Contracts are as a general premise rules of law taken seriously and should not be easily changeable more than 35 years later because someone wants to cherry pick what they keep from the deal and discard the rest. Department of Family and Community Services secretary [Michael Coutts-Trotter](#) is reported as saying at a 19 March 2014 press conference near Circular Quay, that the homes (sic that is Sirius) to be sold are now in a "very, very expensive area of Sydney"

#### **2. Sales proceeds of the asset Sirius are going directly to the 'broke', 'financially unsustainable' public housing system - is this a fiscally prudent move.**

The Hon. Pru Goward is recorded in Hansard as telling the NSW Parliament on March 19, 2014:

'The proceeds from the sale will be reinvested directly into the public housing system. That is a commitment I have made several times. The decision to sell these properties will see hundreds of millions of dollars invested back into the social housing system across New South Wales.'

**Yet, 'THE public housing system in NSW is broke, incapable of breaking the cycle of disadvantage and an institution from which people need to be "freed", according to the state minister responsible for its administration'** headlined a piece in The Australian newspaper of 7 October, 2013. The article concludes with the statement "To be frank, the system is broke and financially unsustainable," Ms Goward said.

Leaves one to ponder if its fiscally responsible and the best use of our public funds to trade a current NSW asset that's running successfully and risk getting more of something the Minister recently said isn't working.

**3. Evidence to the Select Committee (lease in submission 17) is that legally any sales proceeds from the broken Sirius contract will likely flow to the owner of the Sirius land and buildings SHFA, not FACS.**

Under the headline 'Rocks property sale to reap \$500m' of the March 20, 2014 edition of The Australian, Pru Goward was quoted as saying:

“I would be very disappointed if the sales did not make hundreds of millions of dollars but we will be reinvesting every last cent back into social housing”.

Its not clear how Minister Goward will deliver this promise as her Department does not own Sirius - FACS merely leases the land and building from SHFA until 2030. Please explain.

**4. SHFA announced a recent revitalisation strategy - that indicates more funds are required by SHFA - and leaves a nagging concern we're swapping a vital housing asset in Sirius for SHFA's tourist plans.**

It's a sensitive **project**, it's an important **project** and it's a **complex project**," Mr **Coutts-Trotter** said at the press conference of 19 March 2014. The Hon. John Ajaka on the same day in response to a question without notice from the Hon. Jan Barham, is recorded as telling parliament "The proceeds from the sale will be reinvested directly into the public housing system. That is the fundamental point." Hopefully the complexity Mr Coutts-Trotter describes does not arise from prising the Sirius sales money from SHFA.

In a Daily Telegraph article of March 3, 2014, Sydney Harbour Foreshore Authority CEO Catherine Gallagher was reported as saying “We are currently embarking on a transformation program of The Rocks which we know will ensure it stays lively and relevant. We get 14 million visitors a year who come to visit The Rocks and the retailers who reside here.”

Is it fiscally responsible to be selling successful property which has cost effectively delivered its original function over 35 years and is critically required as a NSW asset in a housing system which is 'broke and financially unsustainable', if there is a chance the funds are to be delivered to a SHFA 'transformation program', given SHFA own the asset?

Additionally, SHFA's 'Rocks News 2014' states 'the Foreshore Authority has recently introduced a new leadership team which is driving a revitalised retail leasing direction for The Rocks.

Their work has already included:

- appointing private sector leasing agents
- appointing private sector property management agents
- developing the new retail leasing direction
- progressing a new brand for The Rocks
- refreshing a marketing strategy which will be launched soon
- preparing plans to reinvigorate the precinct's public domain.

It is indeed melancholy to contemplate the loss of Sirius when concrete benefits aren't easily and readily identified. We have time to pause to make sure the ducks are all lined up first.