

**INQUIRY INTO MANAGEMENT OF THE SYDNEY
HARBOUR FORESHORE AUTHORITY**

Organisation: Friends of Pyrmont Point
Name: Mr Charles Perry
Telephone: 9518 6045/0418 654 662
Date Received: 09/09/2004

Subject:

Summary

Friends of Pymont Point



Parliamentary Inquiry into Management of SHFA Supplementary Submission

Introduction

Thank you for the opportunity to make a brief supplementary submission.

Our earlier submission deals mainly with the campaign by Friends of Pymont Point against the SHFA's plans to sell off the public land at Pymont Point known as the Water Police site, and with the terms of reference of the Inquiry.

Friends of Pymont Point need to make a supplementary submission for four reasons.

First, we wish to draw the Committee's attention to an additional conflict of interest in SHFA's role that has become apparent since our previous submission.

Second, some things have changed. Most likely because of the strong community support to our campaign to save the former Water Police site, SHFA, or its Minister, has relented. SHFA will now lease the site to Sydney Council for use as a community resource providing green open space.

The local community applauds this turn of events. But, does this mean that SHFA has changed its spots? We believe not. SHFA is still conducting business as usual. Pymont is still the subject of massive overdevelopment that is contrary to the community interest and that does not receive the scrutiny normally provided by open, transparent processes and public debate.

Third, despite conduct of business in the same old way, SHFA is making extraordinary efforts to portray itself as something different through a massive public relations campaign. Our message is simple. *Judge SHFA by what it does, not what it says.*

Fourth, we believe there has been a systematic, secretive alienation of land from public ownership to private interests, and wish to draw the attention of the Inquiry to it. There are normally strict guidelines for the disposal of public assets, particularly significant assets such as land. We believe that SHFA's processes enable the systematic alienation of public land without conformance to guidelines for probity in these transactions.

1. Conflict of Interest

We have outlined in our submission perceived conflicts in SHFA in undertaking its current roles. As a community, we want to be assured that SHFA acknowledges the issues which give rise to those conflicts and that it will implement measures to manage the risks associated with those perceived conflicts.

Since our submission we have learned that SHFA has been engaged in preparing master plans, for a fee, for two businesses in Pymont; the Sydney Fish Markets and a proposed development in Union Street.

Our understanding is that SHFA is the designated landowner of these sites. Thus for

Email: friends@pymontpoint.net

Web: www.pymontpoint.net

Mailing
Address:

Friends of Pymont Point Inc.
PO Box 173
Pymont NSW 2009

these developments SHFA owns the land, sets the planning controls for the land, draws the master plans, assesses the subsequent development and has its recommendations approved by its Minister.

Owners of these businesses could reasonably be expected to believe:

- Having paid money to SHFA for the development of the Master Plans, the Master Plans will reflect the interests of the business owners and allow them maximum commercial advantage;
- After paying money for the plans to the organisation which also will assess their development application, the assessing organisation will be favourably disposed towards the development application.

We believe this is an additional conflict of interest that needs to be addressed in any evaluation and review of SHFA's role.

2. Can we be assured that SHFA has changed its spots?

Despite SHFA's setback over the Water Police site, SHFA's development plans appear to be proceeding at full speed. Apart from the community victory at the Water Police site, there is no change in SHFA's approach to development.

Current development plans include high rise on both sides of a heritage cutting for the light rail system in Pyrmont, known as site M. The locals are amazed that anything of the scale proposed can be built there, particularly on the narrow Site M North. Rather than "creating a thriving community" as stated in the PR material, SHFA is fostering creation of a dank, sunless, windy, bleak ghetto with apartment blocks facing each other across narrow Point Street and across the rail cutting.

Another excessively overdevelopment is planned for Darling Island, where no less than five buildings will seemingly stick up out of the harbour.

The proposed master plan for the Sydney Fish Markets represents a gross overdevelopment. SHFA defends its proposals with the message that "the development's scale is not as great as it could be – imagine what you would get if the Fish Markets (private company) could get what they would like."

In the mean time Sydney City Council is not a participant in the planning, assessment and consent process for such developments. Council, is powerless and finds itself objecting, along with members of the community, to development applications after they have been lodged

SHFA is now consistently telling the community that it is moving out of Pyrmont and Ultimo and handing over control of lands, after they are "developed", to Sydney City Council over the next five years.

Apparently SHFA has not changed its spots. If SHFA was genuinely concerned about the community interest, as it irrevocably changes the future of Pyrmont and Ultimo, SHFA would ensure that Sydney City Council is a participant in the planning, assessment and consent processes that dictate that future.

3. SHFA's public relations campaign

Rather than change its behaviour, SHFA has changed the way it sells itself. A recent newspaper article under the heading "Can a SHFA change its spots" referred to Chairman Gleeson's apparent championing of more conservative development featuring open space. SHFA's recent public relations campaign includes:

- A 33 page booklet *Pyrmont + Ultimo – Decade of Renewal* hand delivered to the community two days before submissions to the Inquiry closed;

- Hand delivered four page flyers to Pymont residents Pymont (and a different one to Ultimo residents, showing a targeted marketing approach) This flyer includes a letter from the CEO purporting to clarify “misunderstandings” about projects in Pymont;
- Letters to the editor from SHFA’s CEO “clarifying” SHFA’s role (incorrectly, as it turns out) in relation to a DA for a boat repair business on the Water Police site;
- Setting up in June 2004 of a “reference group” of community representatives to inform the community representatives of SHFA’s projects;
- Constant monitoring of Friends of Pymont Point’s website and carping about its content.

And to top all this off SHFA has now created a website about SHFA’s role in Pymont and Ultimo. The website repeats the content of the 33 page booklet and is replete with misleading statistics and wide angle shots that make tiny Gibba Park take on Domain-like dimensions.

Ostensibly produced to celebrate the year of the built environment, SHFA’s hand-delivered 33 page book Ultimo + Pymont Decade of Renewal is nothing less than a self promotional, public relations exercise for SHFA and its predecessor City West Development Corporation. With carefully planned, wide angle shots to or from the water featuring water and green areas. It gives the impression of a holiday resort.

If this book came under the Trade Practices legislation, SHFA would have to withdraw it. It is deceitful and misleading. It is deliberately portraying SHFA as an organisation with the community interest, when its activities have always been directed elsewhere.

We believe that SHFA should concentrate on its core functions and not spend taxpayers’ money on flagrant self-aggrandisement. We can only hope that the public relations machine is not put into top gear as the election grows nearer.

SHFA’s open space message

One of the most misleading aspects of SHFA’s PR campaign is the portrayal of SHFA as a provider of quality, green, open space. SHFA now refers to its multi storey developments as “open space and residential developments”

A table “New Parks and Open Space Created in Ultimo + Pymont 1994 – 2004” in the book lists every piece of so-called open space as if they are genuine areas for recreation. Such areas include remnants of land that cannot be built upon (the so-called pocket parks) areas between roads, and under freeways, thoroughfares (Union Square) and the foreshore pathway. Most are overshadowed by freeways and tall buildings.

While the whole thrust of SHFA’s material is misleading, so are specifics.

St. Bartholomew’s Park, a tiny pocket park with two benches and a little grass is shown in SHFA’s book as being 0.1 hectare, or 1,000 square metres. Measurement of the area shows it is just 411 square metres. We think that overstating the area by 143% is just a touch misleading.

Similarly, nearby McCreadie Reserve, a dank overshadowed grass strip is also shown as 1,000 square metres. Depending on whether you count an adjacent path or not, it is actually either 683 or 883 square metres. More deception!

The real point though is that these areas should not be counted as parks at all, as they are patently unusable for recreational purposes.

Whether SHFA is deceiving or whether SHFA is merely carrying forward the deception of other planners, it is clear that this deception is designed to convey the impression that the needs of the community have been respected and met.

SHFA's PR material does not include the words "high rise development." It refers to "open space and residential development." Open space is calculated by counting all the area not covered by buildings as open space. Thus a high rise development becomes an "open space and retail and residential development with 50% of the area devoted to open space." Never mind the quality, just come up with some statistics! We suspect that the reason the planned tower at the Water Police site rose from 3-5 storeys to 13 or 14 storeys was to increase the floor space ratio on the site, while at the same time claim that SHFA was "creating open space."

"We are building a vibrant community"

Another misleading message in the 33 page book and elsewhere is the assertion that SHFA and its predecessor have created a thriving neighbourhood. This notion is in the Ministers message on page 1 and echoes throughout, to the last sentence.

This contrasts with the message in John Toon's just released book *Sydney: Planning or Politics.* In a Sydney Morning Herald article John Toon says that it was misguided to build high-rise apartment buildings in the "pious hope" that cafes, restaurants, bars and an "urban lifestyle" would follow. Specifically singling out Pyrmont, he said that Pyrmont had struggled to add much to its existing urban lifestyle, despite thousands of new apartments. "What you've got is high rise dormitory suburbs, as opposed to low-rise dormitory suburbs."

SHFA's message is also in stark contrast with Paul Keating's statement that "Pyrmont is a lost opportunity."

Anyone with any doubts that Pyrmont is a dormitory suburb need only stand in Union Square or on Pyrmont Bridge at morning or afternoon peak periods to see the stream of people to or from the Sydney CBD.

Anyone thinking Pyrmont is a thriving community should take a walk up Harris Street from the Pyrmont end and look at the bland brick facades, the asphalt parking lots and garages fronting the streets, the derelict old hotels, the vacant shops, the run down terraces, the absence of essential services, the poor retail mix, and, most importantly, the absence of people with any purpose (except to get somewhere else). Pyrmont is bad enough; it gets even more barren and stark as you move into Ultimo.

What you *do* see is gross overdevelopment. Developments that turn their back on the community (Star City is the prime example) and block the vistas to the harbour, developments that defile the natural and cultural heritage of the area such as those in Saunders Street and those proposed for Site M, and development that create grim, sunless canyons, with high rise buildings facing each other across narrow streets. Unaccountable, faceless bureaucrats and planners at SHFA, its predecessors and DIPNR are the chief culprits. And yet not one of these people has ever been held accountable for the planning atrocities they have committed, or tried to commit in places such as the Rocks, Ballast Point, Callan Park and the Water Police site.

There is an argument for governments with regional development concerns to entrust, for a period of time, the planning, development and assessment responsibilities to a single body. But there is a price. Unless there is as much openness and transparency as possible and healthy debate, together with probity and real checks and balances, the price will be high.

For decades Canberra had no elected local government. Its development was entrusted to the bureaucrats and planners of the National Capital Development Commission. The NCDC did a reasonably good job. Its plans were subjected to wide public debate and it really did provide open space and community facilities.

Despite good work by the NCDC, Canberra was described for decades as "a city without a soul." It was not until the Canberra community took on the huge task of rebuilding after

the fires of January 2003 that they finally saw that Canberra now “has a soul.”

In reality, bureaucrats and planners do not “create thriving communities.” When they take control of the planning and assessment process from the people and their elected representatives they actually stifle the formation of a thriving community.

SHFA’s cynical claim is an insult to the people of Pymont and Ultimo. The dead hand of the planners and bureaucrats, cloaked by a mysterious statutory process, operating without scrutiny or debate, and managed by unaccountable, unelected people disenfranchises the community and prevents meaningful scrutiny, questioning, debate and opposition to the plans of the unelected and unaccountable.

Small wonder that our request to Chairman Gerry Gleeson last August for a stay on development of the Water Police site until an up to date study into open space and traffic in Ultimo/Pymont could be done was answered with the response “Not on.”

Small wonder also that when we set out to oppose the Water Police site development just a little over a year ago everyone told us it was a futile gesture and that the sell-off was a “done deal.”

How ironic it is that an unelected, unaccountable SHFA proclaims that it is doing a great job in its own publicity material. If SHFA is doing such a great job, why is it that the elected and accountable Sydney City Council finds itself objecting to all of the major developments in Pymont that are planned and/or, assessed by SHFA? The community supports the Council and has faith in its ability to listen to the community.

“We are Implementing SREP 26”

A theme in SHFA’s publicity is that it is “implementing SREP 26.” The book and the publicity material draw the contrast between Ultimo/Pymont in the early nineties and now, and pat themselves for the good job they SHFA and its predecessors have done.

A reading of SREP 26 reveals a document full of ideals and statement of intent. It is intended to be flexible. However, the flexibility also allows the “development creep” referred to in our initial submission. The outcome, featuring intense development, especially on the foreshore, is not consistent with the urban village concept envisaged for the area in the early 1990’s.

SHFA’s comparisons between the Ultimo/Pymont of the early 1990’s and the present are spurious and misleading. Not too many people would want to live in the industrial wasteland that was Pymont then. *Any* residential environment would have to be an improvement. What should be compared is what *has been created* and what *could have been created*. Undoubtedly this is the comparison to which Paul Keating refers when he describes Pymont’s development as a “lost opportunity.”

If planning in Pymont is so benign, SHFA should be asked to explain the logic that a community with no supermarkets now has DAs for two supermarket developments within close, distance, with one under assessment by Sydney Council and the other by SHFA.

This bizarre situation gives the lie to the notion that SHFA is implementing a benign, holistic plan that works in the community interest. The reality is that Pymont has been subject to piecemeal developments that, in aggregate, are creating an outcome that bears little resemblance to any holistic planning approach.

4. Alienation of public land

Our experience with the attempted sell off of the publicly owned Water Police site suggests that there may well be a “round up” sale of sites owned or controlled by SHFA.

We note that not all the sales of public land in Pymont and Ultimo are the subject of open tender processes. “Secret Deals” done with agencies such as City West Housing Pty

Limited are not uncommon (eg Site M South) and residents are presented with a fait accompli in relation to the use of the land. We consider that all "land deals" undertaken by SHFA should be the subject of public scrutiny and the processes should be open and transparent.

As mentioned, SHFA is consistently telling us that it is moving out of Pyrmont and Ultimo and handing over control of the developed lands to Sydney City Council over the next five years. We support that move as the community can be assured of an accountable, elected body undertaking this role. Our concern is what will occur now and during the transition phase. We believe that during the transition phase all deals done with land in Pyrmont and Ultimo must be clearly done within the public focus.

Experience would tell us that SHFA is likely to advise us of what is happening with land deals "after the event". They are also links and relationships with other agencies which should be made public so that the community can assess for themselves whether SHFA is living up to its recent promises to be more accountable and consultative with the community.

In particular, we believe that the close relationship between SHFA and City West Housing Pty Limited warrants scrutiny. While the company purports to be a provider of affordable housing to the less fortunate we believe that its links with SHFA cause it to act as primary thrust a developer. We suggest that the Inquiry should obtain information about the composition of the Company's board of directors, its ownership structure and its assets.

We also suggest that normal guidelines for the disposal of public property have not been followed by SHFA, particularly in relation to land transferred to the City West Housing. In particular, it is noted that redeemable preference shares are held by "organisations with a direct interest in the development and management of affordable rental housing in the City West area" (Auditor-General's Report to Parliament 2003). It is noted that there are currently 11 preference shareholders and they include private developers and Star City. One wonders how these organizations fulfil this criterion.

We suggest that the Committee will gain a better understanding of SHFA's dealings with public land and its lack of transparency from the answers to relevant questions. For example:

1. What sites in the Pyrmont/Ultimo area (the area) have been (in the last 5 years), or are planned to be the subject of sale by SHFA (sale includes long-term lease) or its predecessors?
2. Of the sites sold or planned to be sold in the area which of the sites have been, or will be sold by (a) a competitive (open) selection process; (b) sold through a selective (limited) tender process; and (c) sold through direct negotiations (ie no tender process)?
3. For those sold by each of the methods a, b, or c, who was the purchaser in each case?
4. For those sold through methods a or b, which did not go through at least a two stage selection process (expression of interest and request for proposal) and what were the reasons for not going through at least a two stage selection process?
5. For those planned to be sold through methods a or b, which are planned to go through at least a two stage selection process (expression of interest and request for proposal). What are the reasons for not going through at least a two stage selection process?
6. For those already sold, or planned to be sold, by method c, what are the reasons for not going through a competitive selection process?
7. What mechanisms and procures will be instigated to ensure that all dealings with public lands in Pyrmont and Ultimo will be open and transparent?

Answers to these questions will give a useful insight into the extent of SHFA's (and its predecessor's) sell-off of public assets, the degree of public and private benefit from these sales, and the probity of the transactions.

In conclusion, Friends of Pymont Point often get asked "Why should the community have to fight, tooth and nail, to prevent irrevocable loss to the community that is being instigated by the very organisations that are responsible for the long term stewardship of community assets?"

We contend that one reason is that SHFA is an unelected and essentially unaccountable body. It sets its own measures of success and then congratulates itself for performance against them. It operates in relative secrecy, while at the same time claiming to be open and transparent. It is also riven with internal conflicts of interest. Rather than establishing processes to counter conflict of interest, SHFA exacerbates it by actively denying a need for internal probity scrutiny and resisting external scrutiny. In the years that are left of SHFA's stewardship of public lands in Pymont and Ultimo, the community deserves and demands the right to scrutinise SHFA's dealings in the land in the area. A commitment to high standards of probity, transparency and meaningful consultation with the community will be widely welcomed. The community has the best interest of all its members at heart. It deserves to be treated respectfully and not ignored.