

**SUBMISSION ON STATE SIGNIFICANT DEVELOPMENT (SSD) APPLICATION
ENVIRONMENTAL IMPACT STATEMENT : Sydney International Convention, Exhibition
and Entertainment Precinct (SICEEP) SSD 5725 – Public Private Partnership (PPP)
Component and SSD 5878 – The Haymarket Component**

The proposed redevelopment of Darling Harbour South has been segmented by the collaborating proponents into 2 elements each with its own EIS. My submission relates chiefly to the initial phase – the government funded PPP Component of the SICEEP, but with important remarks about its predecessor phase SSD 5752.

The SSD 5878 Haymarket SICEEP Application however is not for a complete or entire project in its own right – indeed SSD 5752 presupposes (further development and works by the use of the word “including” in reference to demolition of existing infrastructure and the rebuilding of infrastructure and by explicit reference to “construction of entertainment facilities”) and the privately funded SSD 5878 Project would not be possible (as proposed) without the demolition of the Entertainment Centre or the demolition of the existing Exhibition and Convention Centres. They are parts of one development plan.

In many places I disagree with the proponent’s own assessment in the EIS that “the potential impacts of the proposed development are acceptable” ¹ even given identified mitigants. I consider the whole development, SSD 5752 and SSD 5878, together, in “25 words or less” as – a costly, poorly planned overdevelopment that would choke an already congested surrounding street system for miles about and would make an attractive public park, ugly.

I live next door to the proposed Darling Harbour South redevelopment and I object to both proposals – SSD 5725 and SSD 5878.

I am a retired government economist and public finance specialist who worked in the Privately Financed Projects Branch of NSW Treasury for 15 years before retiring of old age. Before that, I worked in the Treasury of Victoria and as a young man (between 1970 and 1983) as the most senior transport economist and planner in the Victorian Ministry of Transport. I also lived and worked for 9 months (while on sabbatical leave from Treasury) in China in the Supervision Department of the Ministry of Finance in Peking, investigating and recommending improved methods of budget supervision.

After retiring, I was a consultant for 6 months in 2011 to the senior staff of the then newly established PPP Support Unit in the Western Australian Treasury and a coach/trainer of their subordinates. I do not know any of the people who prepared the EIS and I have not made a donation to a political party.

My objections to the overall proposal and my criticisms of SSD 5752, especially, fall under three broad heads :

- transport and traffic
- aesthetics, and

¹ JBA Executive Summary of SSD 5725 EIS of March 2013 [p(viii)] “All relevant planning considerations are addressed in Section 5.0 (and so) this assessment finds that the potential impacts of the proposed development are acceptable subject to the implementation of the mitigation measures identified in Section 6.0”.

- economics and public finance

Two special differences I noted are that the SSD 5878 report envisages:

- multiple, staged Development Applications; and
- “plans” for the NE and the SE towers’ car parks to discharge into and receive additional vehicles from already congested, one way Harbour Street South.

TRANSPORT AND TRAFFIC - Roads and Intersections

The analysis of transport and traffic impacts (in both applications) is unnecessarily and almost introspectively limited to the area of interest **of the developer** (especially emphasising Darling Drive, strategically important to the proponent’s plans), and what the developers wish to do – narrowing scarce road space in Darling Drive to accommodate student housing and activities to facilitate construction within ultimately permitted site boundaries for a year or so at a time.

External impacts are made light of and excused as being no worse than the current situation ².

Long queues already develop at intersections now on the central Sydney road system, but key points of dispersal for example :

- the intersections of Quay Street and Ultimo Road; and,
- Ultimo Road and Darling Drive, which in turn lead immediately into -
 - George and Broadway, and
 - Harris and Broadway or Regent are considered as outside the relevant analysis area and impacts on the more remote but strategic Pitt Street and Eddy Avenue intersection are not investigated ³.

Nor are

- the cumulative traffic generation effects on the immediate area or upon the wider inner Sydney road system of developments now under construction (eg old KB Brewery Site, the Frank Gehry UTS Business School building in Omnibus Avenue, UTS again at the intersection of Broadway and Abercrombie Street and also in Mary Ann Street, The Quay Apartments on the Quay/Ultimo intersection, not to mention a projected 900 room Hotel in Darling Harbour South or the Harold Park redevelopment in nearby Glebe ⁴, plans to expand Star City Casino or the arrival of Barangaroo. There may be others.
- the construction of major transport infrastructure **in the area** – eg of introducing trams into George Street destined eventually for Moore Park (via Devonshire Street Surry Hills) and beyond or of the augmentation of the inner sections of Parramatta Road (Broadway by

² see page 99 section 5.8.3 SSD 5752 EIS Vol 1 in which “modelling results (by consultant Hyder) indicate that the impact **of the overall SICEEP development** “does not impose conditions on the intersections worse than would have otherwise occurred through existing traffic” – so bad now, more would not be noticed (emphasis added). Certainly not a form of argument that the Act would accept in regard to dumping rubbish or creating noise disturbance, but there it is.

³ except indirectly when the Haymarket area’s traffic generation rates attributed to the PPP Development are estimated at page 68 SSD 5752 EIS Transport and Traffic Report Hyder 19 March 2013 section 6.1.3 but then the trip generation rate to park at particular facility is inferred circularly from an estimate of the demand to attend an activity served by that facility (at section 6.1.2 on page 67).

⁴ except with regard to SCC parking rates when parking is discussed at page 60 SSD 5752 Transport and Traffic
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another name) or else they are summarily dealt with as matters for the future, and all of which will be soon commenced.

The Mott McDermott analyses done of the impacts of the SICEEP proposal some 6 – 10 months ago for Infrastructure NSW seem more dire and are probably more impartial and more accurate ⁵.

Examples which any local citizen can see daily include:

- at the unmentioned strategic intersection of Ultimo Rd and Quay Street (ruled out of the JBA analysis as outside the impacted district) at midday on 24 April 2013 (a Wednesday) when for example, of a platoon of 6 northbound vehicles in Quay Street facing a red light, only one crossed the intersection turning east into Ultimo Rd on the amber (after being impeded by pedestrians). Now, Darling Drive is discussed in Hyder's report, but not its impact on its only southbound exit, Ultimo Road and the traffic's only major consequent destinations – east to George Street and west to Harris Street ;
- currently every crossing of the last vehicles in each platoon at the poorly analysed intersection Goulburn/Harbour/Pier ⁶ and the unanalysed Ultimo/Quay junction in peak times is on a red light, some even entering the intersection on the red – a clear qualitative sign of saturation of the intersection and of stress on the driver ⁷.

The truth of the matter is however recognised but tucked away (possibly for reputational defence) when it is reported that “the assessment indicated some (an understatement) intersection related operational issues at the following three intersections – Darling Drive/Pymont Bridge Rd/Murray St, Harbour St/Pier St/Goulburn St and Harbour St/Liverpool St”. ⁸ The Table 6-28 shows more detail which should be reinvestigated by the assessors.

These shortcomings are more common in EIS submissions than they should be eg the traffic analysis for a much smaller overall development at Rozelle Towers was reported in 2013 to be so poor it needed to be independently reviewed at the request of the NSW Roads and Maritime Service and Transport NSW by another consultant before resubmission earlier this year. In the Darling Harbour South proposal case of SSDs 5725/5878, the complexities are even greater and some of the most significant have been completely ignored.

I counted some traffic at the Goulburn/Harbour/Pier and the Ultimo/Quay intersections in an unstructured way and the average figures of Hyder (and Mott MacDonald who earlier reported to Infrastructure NSW) ⁹ lay within the sample estimates, I made – however, when streets and

⁵ Mott MacDonald's SICEEP Traffic Management and Accessibility Plan August 2012 section 4.4 pages 14 – 17 and section 8 and section 9, especially where at page 54 the limitations of modelling such complex traffic patterns are frankly acknowledged and at pages 66 – 67, where the Harbour St/Pier St intersection Level of Service falls to F. Level F is the lowest in a six point scale after which movement ceases – sometimes described as about as good as walking – a cortege !

⁶ which Hyder acknowledge to be a lost cause at page 100 section 5.8.5 SSD 5752 EIS Vol 1, and a problem to be put off to another day.

⁷ Features mentioned at the outset and throughout the Guide to Traffic Engineering Practice Roadway Capacity Part 2 Austroads 1988 which though quoted approvingly by analysts for the proponent in the EIS, is not even noted in the reams of pseudo scientific attachments.

⁸ page 72 SSD 5752 EIS Transport and Traffic Report Hyder 19 March 2013 section 6.2.2

⁹ see page 29 SSD 5752 EIS Transport and Traffic Report Hyder 19 March 2013 and both Appendix C's , page 14 for Hyder and page 2 and 4 for Mott MacDonald – wherein the true poor performance of this intersection is portrayed, in website : www.sineiactura.com Phone 61 2 9211 8840

intersection approaches are so close to capacity/saturation it is the variance, not the mean of observations that is critical. Small incidents, at the sites themselves or at locations connected to them, can produce huge effects. My attempts were necessarily brief and incomplete – but relevant. The report of the work of the consultant, Hyder, seems mechanical and naïve (in the original sense of the word, and not, an insult).

Among the general principles of the theory of queuing that seem missing or ignored are that :

- “service points” cannot work at near full capacity if long queues are to be avoided, and they should have an appreciable amount of slack time to satisfy arrivals, if queues are to be kept to manageable lengths;
- a queuing approach is relevant only when arrivals and/or service times are subject to random effects;
- the greater the randomness in arrivals and/or service times, while the means remain fixed, the longer the queues will be; and
- in the limit, if random service times can be changed to constant ones, queue lengths will halve, while if times between arrivals can be kept constant queue lengths will become (eventually) zero.

As an illustration of the sensitivity of queues of vehicles to incoming pressure, if between say 5 and 6 PM cars try to leave a source (a side street, a stop line at a set of lights, from a regular interfering flow etc) with a Poisson distributed mean rate of emission of 80/hour for an exponentially distributed mean rate of acceptance of say, 100/hour :

- the probability of >2 in the queue is (only) 40% (0.41), ie less than $\frac{1}{2}$ the time;
- the probability of a delay of 5 minutes is 0.15;
- the mean waiting time is 2.4 minutes .

If the rate of emission rises only 5%, to 84/hour, then the probability of >2 in the queue awaiting release rises more than proportionally to 50% and the mean waiting time to 3.1 minutes; while if by 20% to 96/hour, >2 in the queue to 85% and the average wait to 14.4 minutes and the probability of a delay of 5 minutes - rises over fourfold to 70%. If the rate of acceptance is exceeded by rate of the traffic arriving - untreated, a queue of infinite length will accumulate.

Capacities of roadways are affected by signalisation¹⁰. The distances between signals in the Haymarket district are as short or shorter than any comparable area in the CBD – look at a Sydney directory, but the focus in the JBA analyst’s reports is on individual approaches (each with their traffic movements or lane groups) and with each defined essentially as having shared, common rights of way. These definitions permit (regulate, allocate, assign) particular rights of way to particular flows and manoeuvres in turn.

The Goulburn/Harbour/Pier and the Ultimo/Quay intersections have as high a number of “critical movements” (where regulated paths intersect) as any in the precinct and traffic generation in the redeveloped future cannot be “sneezed off” as :

counts and in a model, unlike in the text of the EIS.

¹⁰ a version of the 4th dot point of the general principles, above.

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- not imposing conditions on future **key** intersection performance (but without the locations being identified) worse than what would have otherwise occurred through existing traffic; notwithstanding that
- some “critical movements” necessitate improvement measures (listed as the mitigation measures for consideration); or that
- Darling Drive (other streets are not mentioned in this way) will continue to have sufficient capacity to accommodate the existing traffic **plus** additional traffic generated by the SICEEP development ¹¹ and other developments that in time will seriously constrain the whole area’s traffic capacity¹².

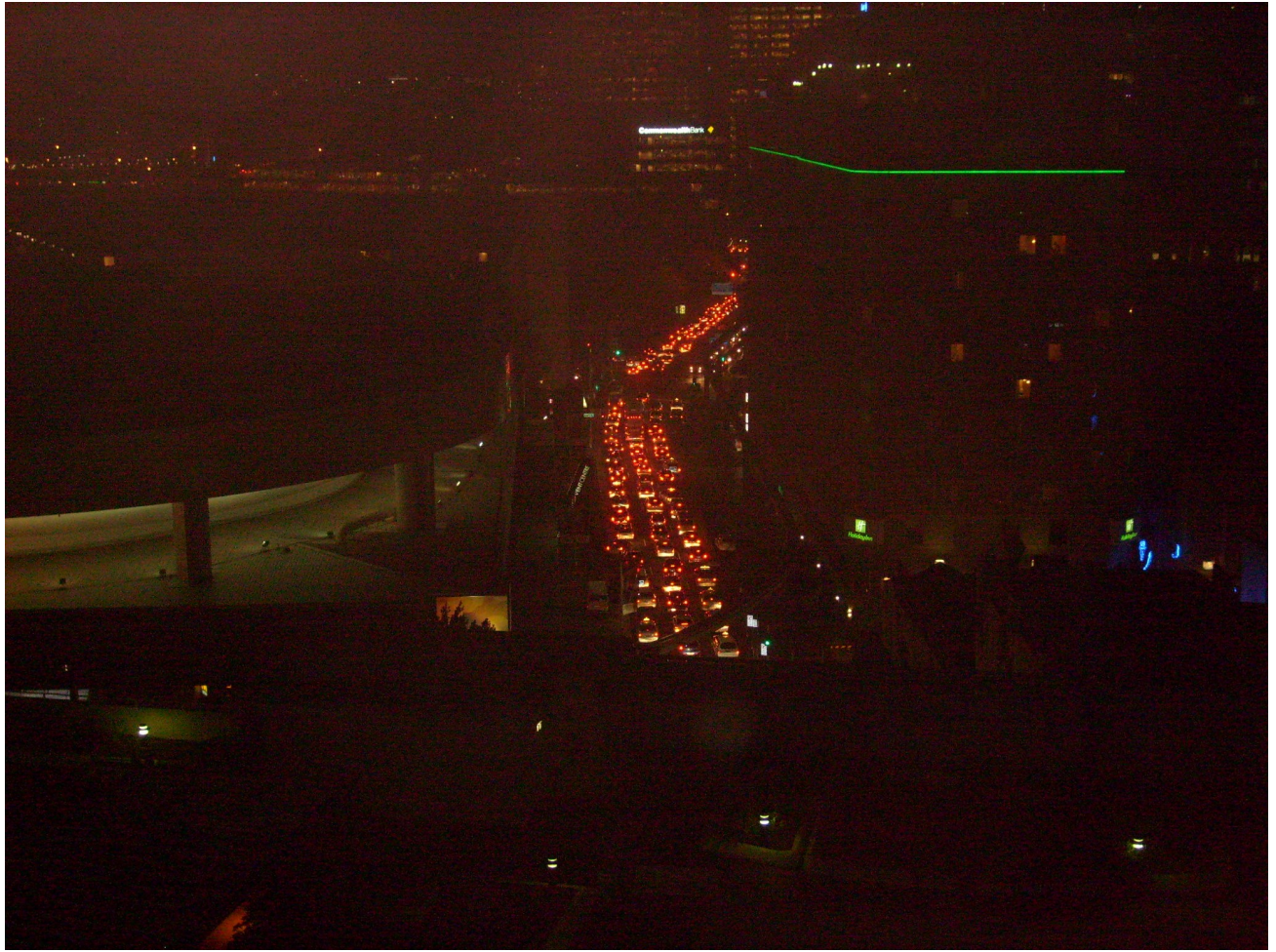
To continue, saturation flow values for the two intersections I looked at (and I’d guess others could be similar) will have the lowest **environmental class** and have **lane types** with highest degree of restriction. They certainly currently have lane widths reduced to increase the number of lanes (to clarify channelised manoeuvres) at the intersections, have very mixed traffic composition, and the approaches to the intersections are not at one same level. It is unlikely that each arm of these intersections or others like them will have the **same** level of saturation - or represent therefore an optimum level of saturation of the intersection as a whole.

¹¹ page (ii) Executive Summary Hyder Consulting Transport and Traffic Assessment 19 March 2013 – a recasting or repetition of the original JBA text at page 99 in section 5.8.3 SSD 5752 EIS Vol 1

¹² eg the 12 story 32500 sq m UTS FEIT with its own additional 160 car park spaces at Broadway and Wattle St, itself part of a \$1 Billion 2008 UTS City Campus Master Plan, or the close nearby UTS Thomas Street Project (to the north of Buildings 1 and 2) which doesn’t seem to have a parking component at all).

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A queue of infinite length ? Note the northbound signals of Harbour Street at Goulburn and Pier Streets are at green. This was a Friday night and the picture remained the same for ½ an hour. The “queue” continues to the right left hand corner back into Hay Street (obscured by the garden wall of The Peak apartment block’s podium) from George Street.

Recommendation to the Department of Planning and Infrastructure (or the PAC, if relevant) : Immediately, refer the traffic and transport modules supporting the EIS to Transport for NSW and NSW Roads and Maritime Service for :

- a detailed review of their adequacy as a comprehensive account of the traffic and transport impacts of the entire proposal (both SSD 5752 and SSD 5878) , and if found to be less than complete;
- suggestions for their revision so as to make their proper contribution to Planning and Infrastructure (or PAC, if relevant) decision makers charged with considering these key factors for both SSD 5752 and SSD 5878.

AESTHETICS

1 Big Aesthetics The JBA Site Analysis correctly describes Darling Harbour South’s topography, which building heights normally follow, as “gently rises to the east and the west from

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the valley floor towards ridgelines located in the vicinity of Harris Street to the west and Hyde Park to the east ¹³”.

The existing CBD ridge line also follows this natural lead and building heights fall gently from Westfield Tower and continually to the south eventually reaching a minimum at Chinatown (which has, intentionally, a 4 story height limit) after which the terrain (and the buildings) begin to rise again all the way up Thomas and Quay Streets to a local summit near the Marcus Clarke Building at George Street/Broadway.¹⁴

The whole proposal (including the residential components of SSD 5878), if accepted, would erect a really high and extensive **wall** of domestic structures when viewed from almost anywhere inside the basin of Darling Harbour looking south – akin to the “Toaster” effect in Circular Quay of its now universally regretted overdevelopment on the eastern bank, compared with the “gently rising” effect on its western side.

The extent of the relative ugliness at Darling Harbour South however would be at least proportional to the difference in the relative heights of the respective developments (considerable, at three times the height) and visible to almost as many observers over the next 40 years or more. What an architectural legacy.

Added to the existing population in the immediate area (and the Hing Loong and The Quay developments already approved) the SSD 5878 plan will **double** the resident population absolutely and raise the density to 180/Ha.

2 What You Look At Most Of The Time Beauty is in the beholder’s eye. For an example (certainly not the only one) of extreme “bias” look back to the extraordinary photos Figures 26 and 27 ¹⁵ of the Entertainment Centre. Where are the people ? Few Sydneysiders would recognise their locale, uncaptioned.

For more honest views of the same district EIS assessors should also review the attachments to this submission which show just how the skyline and the current building setbacks, looking south and east, really appear. What a difference.

And, one can only agree with “The **PPP development** (SSD 5752) has little or no impact on the views and outlook available from The Peak and The Quay Apartments that are located to the south of the SICEEP Site in close proximity to The Haymarket” and “The proposed **PPP proposal** has achieved a reasonable balance etc” ¹⁶ (emphasis added) – if that was all that was to occur. That is all that is contemplated by SSD 5752. SSD 5878 however is about replacing an empty Entertainment Centre site with development of a height of 40 stories in places that would make a neighbouring Chinatown limited (correctly) to 4 stories look like “cleared land”.

The PPP development is only a precursor to the construction of a block or complex of residential towers without the same degree of set back from Hay Street that say The Peak apartment tower,

¹³ page 23 SSD 5752 EIS Vol 1

¹⁴ pictured in the Current Views segment of the Attachment to this submission

¹⁵ page 41 SSD 5752 EIS Vol 1

¹⁶ page 97 SSD 5752 EIS Vol 1

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located at the rear of its own low podium supplies, when an if ever approved SSD 5878 would be erected on the site of the demolished Entertainment Centre, **hard upon** the Hay Street tram line. Why, considering the height of the proposed development the assessors may ask, is it **so** close to its neighbours ?

3 Small Aesthetics The Chinese Garden of Friendship, a condensed compendium of bonsai plant art (which also figuratively “weighs” the value its specimens) is an extraordinary little gem in a generally mundane, public tourist park. It is actually comparable with often larger exquisite Chinese parks from Peking to East Lake in Wuhan. This can be seen by visiting the garden itself and comparing it with many (that I myself have visited and are) shown in the Australian book - Gardens In China : Peter Valder published by Florilegium Australia (2002) ISBN 1 876314 13 3.

Recommendation to the Department of Planning and Infrastructure (and PAC if relevant) :
The Department (or the PAC) should seek a separate review of the aesthetics of this architecturally crowded proposal especially, but not only, considering the excellence of the adjoining, mature Chinese Garden of Friendship which despite its modest scale is on an aesthetic par with the best public gardens in China, and the comparison I proposed above in sections 2 and 3, above, could be a major test of whether the proposal represents **any** form of aesthetic advance.

ECONOMICS AND PUBLIC FINANCE

1 Economic Appraisal¹⁷ I found no report of the economics of the demolition of the 25 year old Entertainment Centre (and its shared Car Park) and its replacement with a smaller Theatre as an appraisal conducted in conformity with the NSW Treasury Guidelines would show. The replacement of the Exhibition and Conference facilities are not appraised according to these standards either. As a matter of abiding policy at least, this should be a minimum.

Analysis of alternatives is everything in public finance. The EIS Summary¹⁸ itself conclusively shows **no** economic appraisal was done by anyone.

The DGR’s Requirements do not literally ask for a cost/benefit or a financial analysis but many of the matters which must be addressed to his satisfaction presuppose that the essential work of such studies has been done to identify, count and measure, quantify and make relative valuations of impacts that may be expected.

Specific requirements¹⁹ however do include assessment of the impacts of alternative designs on economic efficiency, appearance, crime rates, movement of people and vehicles, the natural environment, water and air quality etc and all this :

- over the time during the execution of the plans;

¹⁷ Although s 79c(1) of the EP & A Act 1979 includes social **and** economic impacts and whether the public interest is served as relevant matters for the assessors of an EIS, it doesn’t mandate an economic or financial appraisal explicitly, and so I feel here I must argue that without such an analysis, an assessment of “spillover” effects (and lucky breaks, too) whether required or not must be incomplete, other interpretations of the Act notwithstanding. Was one done ?

¹⁸ pages 8 and 9 SSD 5752 EIS Vol 1 where the authors, clearly neither government economists nor businessmen, actually argue that **no** alternatives can be contemplated, while ignorantly confusing expenditures for economic benefits.

¹⁹ See pages 10 – 13 SSD 5752 EIS Vol 1 and a review of the proponents own comments on page 70 in Table 9 at 5(a)(i) which so completely fail to explain **why so few** “existing artificial resources and infrastructure will be retained” - **that is, are to be conserved.**

- and beyond, during the long run

for a complete consideration of a scheme's overall cost and sustainability.

Seventy pages later, there is no economic or financial appraisal of moving or leaving the Entertainment Centre where it stands ! Indeed, if there is a test of the fallacy that the existing site should be so comprehensively rearranged, it is that rival sites, say at Sydney Olympic Park, could not economically or financially outperform existing public assets in their current locations - that we already possess.

Sadly, as with adverse “spillover” effects on users of transport and traffic facilities, existing social assets (schools, health centres, hospitals, child care centres etc) are **deemed adequate** by JBA without any evidence for the growth in demands that will follow such an overdevelopment.

Recommendation to the Department of Planning and Infrastructure (and PAC, if relevant) :
Follow the long standing Government Guidelines and refer the proposal to the Treasury for their appraisal and publish the results of their work, charging the applicant with the costs (if any) of arranging for the conduct of a conforming appraisal of meeting a realistic objective with the plan in SSD 5752 **and in** SSD 5878 ²⁰ against genuine alternative courses of action.

2 Public Finance ²¹ The purpose of the demolition of the Entertainment Centre is to create a space on which 190 stories of apartments and commercial developments could be built – two of the towers at 40+ stories apiece ²².

A financial appraisal of the destruction of the facility (and the car parks) should also be assessed against the public subsidy that such an activity would require as a means of supplying the private sector with a site for a private residential/commercial development.

Much is made by the proponent in Section 5.4 of the effects on the design ²³ of:

- the contested solution of one bidder (of two) selected by government as the preferred proponent; and
- reviews of an independent DRP panel,

as if to imply that such a process makes economic or financial analysis, unnecessary.

Neither of these steps are of course a substitute for an appraisal, but even if the lessons and the worst mistakes of the recent past ²⁴ had been scientifically and implicitly recognised in these steps, what

²⁰ To be an appraisal conforming with the NSW Treasury Guidelines, both components SSD 5752 **and** SSD 5878 should be evaluated as a whole, among other things to avoid misspecifying (as is sometimes done quite illogically) some important costs as “sunk costs”, when they are not.

²¹ Public Finance, the sources of which are taxes or borrowings repaid from future taxes, is regulated by administrative law and competition in tendering. Comparisons between alternative ways and means are an important (but not the only) form of its method of management and examination.

²² Though referred to in the documents as 40 levels, the illustrations at the public “information” display at the Holiday Inn showed more, one nearer 50 stories, when I counted them on the actual pictures, to check for myself.

²³ pages 80 – 83 SSD 5752 EIS Vol 1. To portray the appointment of a preferred tenderer as a “design competition” (eg at p82) is to go too far. The process was necessarily restricted, brief, conducted in secret and the outcome affected by many things other than aesthetics - and the results in this case, are dull.

²⁴ eg in the redevelopment of Walsh Bay a decade ago, where the estimated government money contribution gradually increased 10 fold over the implementation term. The government costs of the Melbourne Underground Rail Loop (a website : www.sineiactura.com Phone 61 2 9211 8840

has been learned and how the worst mistakes of the past are to be avoided, aren't even described, let alone evaluated.

A number of practical problems²⁵ are hard for government to handle without having thoroughly appraised the economic and financial alternatives **at an early stage** and before the problems are apparent to all. For example:

- The “sixty four thousand dollar” question here for government, if it did accept this reasoning is, if the final design (and the costs) of the winner changes substantially, will the loser be given a second chance to rebid, too.
- The costs to government of rights of the private owner of the Olympic Indoor Arena at Homebush under its long term contract with government to seek compensation for material adverse effects from the erection of a rival venue within a certain radius are not discussed, so far as I could see.
- No consideration of developing SSD 5878 residential apartments at lesser height on areas of land south of Redfern along the Botany Rd corridor is mentioned as an alternative, if there was a genuine pressure on land to supply housing within close proximity to the CBD.

There are more. In addition, the costs and forgone revenue from management without planning can be huge. They fall ultimately on all taxpayers – a definite public impact.

Recommendation the Department of Planning and Infrastructure (and PAC, if relevant) :

Again, refer the shortcoming to Treasury or the Auditor General for assistance reviewing the essential economics and public finance issues and risks, adequately.

3 Local Economics And Distributional Issues Apart from the high additional costs of an unmanageable future transport and traffic environment, there are two other serious distributional effects and a social dimension unique to the district not assessed in the EIS at all.

First, the “Theatre” isn't portrayed as a relocated Entertainment Centre. If it really were just another theatre (Sydney's central peninsula has many theatres²⁶ that have all been underutilised for years), one more will certainly make the economics of “show business” even worse, for all. There is however a much more important also unmentioned, local distributional and social impact.

The main **local** economic engines in the Haymarket district – there are only really two - are the recently highly successful Entertainment Centre²⁷ (which this plan will replace with a residential

huge project in its day) also increased approximately 10 fold over its decade long implementation. Are we such slow learners ?

²⁵ eg conferring a long term sole right to develop (as in granting, by legislation, George Herscu a 40 year development right over Batman Ave railyards at Flinders St in Melbourne in the 1970s which he never exercised and which became a barrier to all other nearby development until recently or James Packer's recent late, surprise proposal to build a furlong high casino at Barangaroo – never part of the Master Plan, if I'm not mistaken.

²⁶ There are lots and few are fully used throughout the year. Echoing out from the Entertainment Centre we have (large and small) the Capitol, Genesian, Sydney Town Hall, State, Theatre Royal, Angel Place Recital Hall, Walsh Bay (two), Lyric and the Opera House as well as a large number of smaller performance spaces – the Masonic Centre, a number of fine churches and even some within commercial office buildings.

²⁷ As late as 5 March 2013 Darling Harbour Live “spokesmen” distributed plans showing a relocated Entertainment Centre between Pier Street and an Exhibition Centre. I imagine that the reason for **now** showing the demolition of the Entertainment Centre and saying it would be replaced by a “Theatre” stemmed from realising that the private owners of the Sydney Olympic Games Indoor Arena have a capacity to seek compensation for demonstrable material adverse

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overdevelopment) and the Central Chinatown Precinct, both of which mutually attract the majority of trade into the area's local economy, and each of which is reliant on the other, like no other "couple" (in the sense of the word as a pair of coordinated, parallel forces cooperatively reinforcing one another) about which **local** economic success turns.

The proposed plan could unintentionally destroy Chinatown economically. Its shops, restaurants and service industries will all suffer during the prolonged staged construction period when what are essentially Chinese businesses will do little or no business and would then, after the disruption from construction finally ended, be cut off from Darling Harbour at large once the residential overdevelopment was completed and a Theatre had replaced an Entertainment Centre.

The area could become like an abandoned QVB site, years ago. Such an effect would be even worse if the current economic and fiscal difficulties continue and the project were to be completed much later than expected and an abandoned site (like the Anthony Horden Site in the 1990s in George Street) lingered, incomplete ²⁸.

Risk analyses of these sorts of scenarios are not presented in the EIS, but are normally routine in the preparation of government projects to be offered for PPP delivery where a private sector party bids to assume certain risks that he manages better than government. The major risks to parties **other than the intentional risk takers**, Chinatown businessmen properly assessed and valued, represent costs to external parties – external to the government land owner and the developer - not yet manifest. I imagine no studies of these impacts were ever done.

The construction plans which ironically, I expect, will be financed by investors tapping foreign Chinese savings will isolate an existing, prosperous local Chinese business community, that Sydney can ill afford to lose, behind an elite private residential development barrier on public land otherwise intended (but by then, no longer used) for recreational and public purposes. It will build an insurmountable **social** wall, and not create a bridge of any kind.

Recommendation to the Department of Planning and Infrastructure (and PAC, if relevant) :

Again, refer the subject of local economic risks to business continuity in its current location as a serious analytical shortcoming in the EIS to Treasury or the Auditor General for assistance in reviewing the essential economics and public finance risk issues of the proposal.

Many consultants, Sine Iactura Pty Ltd included, can do the sort of work indicated in the above mentioned three sets of shortcomings for Treasury or for Planning and Infrastructure and, though of course I am an affected neighbour and thus disqualified as not a disinterested expert, I am happy to suggest competent firms that could be approached by either department. You may contact me if you think I could assist the assessors of the EISs in this limited way.

effects on their profits from a developer of a rival indoor **arena** (but not a Theatre) within a denominated distance of Homebush. Distributive effects of this sort can be very important and the assessors of the EIS need to examine the proponents for their submission's completeness or candidness. This issue isn't covered so far as I could find, in the EIS. Are there others ?

²⁸ Such long interruptions are more common than we all immediately remember. General amnesia of the spectacular crash 30 years ago of the Jack Chia redevelopment and resulting urban blighting of the area from Toorak Road, South Yarra all the way to the Yarra River bank in Melbourne is a famous example of optimism's anaesthesia, from another place and time. Ada Louise Huxtable's 1970 Pulitzer Prize winner for Distinguished Criticism "Will they ever finish Bruckner Boulevard ?" recounts even older New York City examples, if one's risk analysts' memories needed a top up.

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On 11 April 2013 in preparation for my submission I wrote to the Minister for Planning and Infrastructure, the Director General of the Department of Planning and Infrastructure, and the Chair of the Planning Assessment Commission²⁹, seeking clarification of :

- the contractual relationship between the government funder and the project financing developer and operator JV and of the terms and obligations of each when the preferred developer was appointed (unaware then that the Deputy Premier had announced that two separate Project Development Agreements had been **executed the day after the EIS was lodged by JBA** on 21 March 2013);
- whether there were economic and financial appraisals conducted by government, available ; and
- the statutory basis of the arrangements.

The Auditor General and the Planning Assessment Commission (noting that the matter had **not** been referred to them) acknowledged receipt of a copy of my clarification letter, a staff member of the office of the opposition spokesman on Planning and Infrastructure also phoned . The Premier and the Director General of Planning and Infrastructure each referred the matter to Infrastructure NSW for direct reply and by 8 May 2013, the others hadn't responded at all. Each respondent thanked me for keeping them informed.

Official government public consultation I have observed has been understandably partial and at times flattering to the facts, and dismissive of uncomfortable points.

I have looked only cursorily at the companion document SSD 5878 – The Haymarket Component in the time allowed, concentrating on the government funded projects necessary for the private developments to proceed as planned. On SSD 5792, I spent over 124 hours to 8.5.2013 mainly reading and examining very long and inadequate documents and \$160 in incidental expenses just to make these critical, broad remarks. The experience gave me no reason to expect the SSD 5878 EIS is of a better quality or completeness.

The consistent theme throughout my objection to the EIS (and the whole project, SSD 5752 **and** SSD 5878 as proposed) is that though the Darling Harbour area may **be** a traffic nightmare, ugly in places and not profitable to government, that is not an excuse to make things worse, in each or any respect – by :

- bringing traffic to complete gridlock most of the time in a few short years;
- blighting the outlook **from inside** a beautiful small Chinese Garden **and elsewhere** in the Darling Harbour South district; or
- wasting scarce public funds on unnecessary activities - removing and rebuilding relatively new “exhibition” venues³⁰ to insert a massive private overdevelopment on an existing recreational public open space.

²⁹ With copies for information to the Premier, the Leader of the Opposition and the Opposition Spokesman on Planning and Infrastructure, the CEO of the Sydney Harbour Foreshore Authority, and the Chairman of the Public Accounts Committee and the Auditor General.

³⁰ Melbourne still uses the oft renovated 1888 Great Exhibition Building as a major exhibition space. It is located in a magnificent Victorian/Edwardian era garden park.

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Such however is the essential line of the lodged EISs, rather than honest and scientific analysis of what is worth doing.

Please consider reviewing the EIS as I have suggested and, if you agree with my assessment, asking all parties to the Project Development Agreements (including the proponents), to :

- do what all relevant government legislation³¹ and what all government policy requires (in my view the project proponents have fallen short) in EIS 5752 and EIS 5878; or all consider
- pursuing the objectives³² of development in alternative ways and probably in another place.

Keep Well

Pete Bannister
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8 May 2013

Attachment : Traffic in Harbour Street and Aesthetics.pdf

1. Why SSD 5878 EIS Traffic and Transport Report page 25, section 6.5 should be independently reviewed.
2. Current views from Ultimo and Darling Harbour South looking **towards** where I live.

³¹ including the Public Authorities (Financial Arrangements) Act 1987 and the Public Finance and Audit Act 1983.

³² which I take to be - to satisfy the NSW government's commitment **"to Sydney maintaining its position on centre stage for hosting world class events"** page 3 SSD 5752 EIS Vol 1. This is nearest to a stated objective, and it's certainly possible to think of alternative ways of doing this, though by page 8, the number of "strategic" objectives has grown to eight. Of course, logically only one can be **the** objective at one time while the remainder must for the time being be constraints, though the authors seem confused. Perhaps confusion over objectives and a failure to recognise the necessity of only being able to shoot at a single goal at any one time has led the proponent to believe there are no alternatives that can be assessed. Some of the strategic objectives seem more like actions. Implicitly, the objective seems to be "to do the project" as described – an unsatisfactory starting point, usually.

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