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cc Mr Philip Davies

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by email

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Last opportunity for iAustralia
to
convert its mistakes into a positive Reconstruct Sydney® program

I refer to my email of 26 February 2016 headed "Message for Chairman" and a web form input headed "Perfect storm – governmental attack on Sydney's sustainability" dated 2 May 2016, neither of which has been replied to. I am acting in accordance with the Prime Minister's dictum,

*If you want anyone to change, you have to persuade them they have a problem.
Then you have to explain the solution.*

Malcolm Turnbull July 2014

I will now persuade you of **problems** in brief terms and presage a complete analysis should you again not respond. The **solution set** is probably the most significant contribution made by an individual for almost a hundred years:

The "Improvement" approach of the world's greatest City Council, Sydney's from 1900 to 1912, led by Sir Thomas Hughes and inspired by Jack Fitzgerald, has been updated for Sydney in Creative Reconstruction of NSW Local Governance and in The Greater Sydney Commission's Fate in Prospect (i.e. failure) – the most profound thinking in Australia in peer opinions. It covers land use/ housing/transport/taxation/engagement in holistic terms. The transport program including RG's own ideas for the CBD, The Bays, Parramatta Road, Bondi Beach and Broadway is in The Eddington Bedrock: from Christie to Greiner to Gibbons and The Case to Pause the Metros, while logistics per se is in Eastern Seaboard Logical Logistics 2 (#1 was Thanking Logical Logistics for Globestar Shipping). Regional and tourism reform is encapsulated in ReviveBlueMountains. All are brought together in the Revitalise book and imminent website.

This suite is available to iA under negotiated terms, as part of a "Sydney Reconstruction" theme (to build on the Improvement Commission of 1908-09). That this is needed because existing arrangements have failed can be debated in all media.

PROBLEMS:

1. No planning system - still

iA itself adopted a positive set of intentions albeit its first funding cycle (and subsequent ones) was replete with political interventions. iA has promised:

... a consistent culture of robust and transparent decision making and delivery across infrastructure sectors. Ahead of project selection, we need to improve the evidence base for decision making by increasing the delivery and quality of integrated long-term infrastructure and land-use planning, stakeholder engagement and project development studies

That is demonstrably not the case in practice, especially in relation to Metro trains and freeway linkages under State Governments, iA and specific senior Federal elected and appointed officials. Substantial criticism along these lines came from the NSW Commission of Audit; and private discussions with them in early February produced real surprise at the Metro's written advice that it still had not prepared a business case. iA endorsed the Metro in its 2016 Report despite the above and others' warnings. There is no evidence-based process – within government that is – that recognises problems and develops the best system- and place-based options for community engagement. The Planning Institute's views in 2009 on the disastrous CBD Metro still apply to the Metro – which has gone through no financial, planning, environmental, engineering statutory process:

Ad hoc, project-by-project decision-making does not constitute planning, and could pre-empt the best transport solution. Decisions significantly affecting the development of Sydney, such as on the Metro projects, cannot be made without an overall long-term metropolitan plan. Sydney is too important.

The pause is the same call made by the Property Council in 2009. Add this respected commentator's conclusion:

Community support and trust towards credible infrastructure plans must be earned with sound community engagement and better customer service outcomes. These must form the central plank of the new long-term infrastructure-planning regime, not just a focus on assets and projects. This is by far Australia's most pressing infrastructure imperative (Dr Garry Bowditch)

Another dimension was expressed in the SMH on 11 August 2006 in "Government developer 'hopes like hell' he can build affordable housing in Sydney", which included

The NSW government has been facing growing calls to introduce new measures to boost the supply of affordable housing. Former premier Nick Greiner has advocated for measures to encourage housing for households on average incomes, while property developers have indicated some support for the idea.... it would be hard to allocate a proportion of new developments to affordable housing "because there is no state government policy in relation to how we are going to do this". "Lucy and I and our corporations are working absolutely fervently to try to bring this about, and we would be looking to bring some really meaningful piece of work in the middle of next year," Mr Pitchford (UGNSW) said."

The reality is, this is a flawed process based on poor projects and a commercial model that has been analysed by Professor Bill Randolph and others, with the conclusion it failed to provide affordable housing. NSW Treasury warned of such circumstances in

its Guidelines if business cases were not produced early and revised with substantial changes – “... to avoid implementing a project that has negative net benefits.... For large projects, a preliminary economic appraisal may be required, and subsequently updated as new material and data become available”. Yet avoidance is what iNSW and iA appeared to have allowed.

The 2011 NSW Election promised the introduction of better project and engagement practices than had been experienced under Labor but the actuality is more like this:

iA and iNSW as well as NSW and UK Treasury guidelines require an early business case showing proper consideration of options, measurement of parameters through accepted economic and related tools, and engagement of stakeholders. Senior Ministers in the NSW Government have shared the key portfolio responsibilities covering transport and main roads (Infrastructure included as a secondary element). How well did they go?

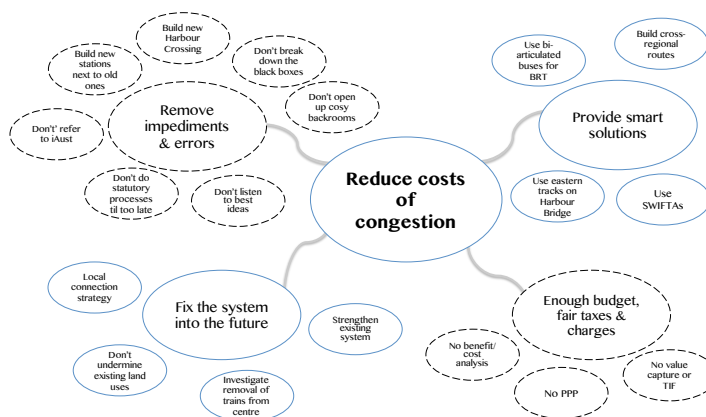
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	Options	Ratios	Engagement	Options	Ratios	Engagement	Options	Ratios	Engagement
Baird	X	X	X	-	-	-	X	X	X
Berejiklian	X	X	X	X	X	X			
Constance	X	X	X	X	X	X			

⊕ Did well ⊖ Dubious, to be debated X Failure

Note: Eddington in London and Melbourne got 3 ticks, Christie 1, 1 dubious and fail on engagement

Jim Steer’s study of the NW Metro showed a heavily negative BCR and there is no reason to believe the current Metro will be better: this shows the peril of not following procedures, of hiding such external costs associated with the cannibalisation of the Bradfield rail system (especially compared with simply running metro trains on it), and of not learning from history.

The NSW Government is building a grab-bag of road projects under the “WestConnex” banner while ignoring better local solutions especially on the eastern side, hiding information from the community after its “business case” was produced too late and derided for its quality, and worsening congestion in major locales while ignoring other congestion hot-spots. All the while car dependency and punitive tolls are worsened. All these factors are illustrated and explained in the fore-mentioned documents. A major focus is the reduction of congestion, the costs of which is also highlighted in your Reports but without solutions. The core structure of strategies in the proprietary documents is like this (handed to Angus Taylor MP without response):



iA’s reality – and implementing the Prime Minister’s promise to reduce congestion, reject ideological limitation and be moderate, and improve productivity – is not being approached let alone achieved. It is suggested that iA’s 2016 Report should have read like this:

NSW Labor produced Metro mayhem in the 2000s which the then Opposition called a “fiasco”, never to be repeated, “No boardroom or CEO in the private sector would be permitted to get away with such incompetence” – then they not just repeated it, they ignored Treasury, iAustralia and iNSW and even Grattan recommendations on sound practices, and are on course to creating dreadful and unnecessary chaos:

- Increase the cost past \$20 billion without factoring in the massive social and employment costs of closing rail lines and stations for up to a year, demolishing 50 large buildings to put in new underground stations where stations already exist, and forcing transfers at major rail nodes making a 2016 version of the 19th Century “dual gauge” problem – impeding special events and emergency operations as well! Platform and track sections are to be removed and replaced as the chosen vehicles need a clear line of sight – yet vehicles are available that would not require such costs and disruption while also extending services well past the narrow band of suburbs. **Better use of existing assets is supposed to be an iA priority yet it endorses the opposite**
- Concentrate residential high-rises in a narrow band of suburbs (increasing congestion, not served by the Metro past about 1% of 664,000 new dwellings over just 15 years). This is commercially risky, socially irresponsible, and worst of all, to be born by families and small businesses through a tax that has been promoted, without understanding it seems, by the Prime Minister, the Premier, the Committee for Sydney and the McKell Institute among others. Better, cheaper and easier to implement options are deliberately ignored – projects, technologies and taxes. Two classes of suburbs and citizens will be created. Labor gave birth to this monstrosity, the Coalition nurtured it, and now Labor mistakenly feeds it hot blood. The beneficiaries? – the contractors, financiers and developers, not citizens. Politicians cover their backsides. **The identity confusion at the end of Orwell’s Animal Farm really does exist in the NSW Parliament**
- Reduce the network’s passenger capacity while falsely claiming it will provide a 60% increase – the numbers were provided by a private operator, indeed a contractor with a vested interest, which distorted the comparison between double-decked

trains and metros by about 95%. **That canard was repeated by Infrastructure Australia which presumably did not check the numbers or understand Sydney** despite the issues being ventilated by ABC Fact Checkers, Ron Christie (former Rail Coordinator General) and the ABC's Lateline, as well as being formally submitted to Ministers and governmental inquiries

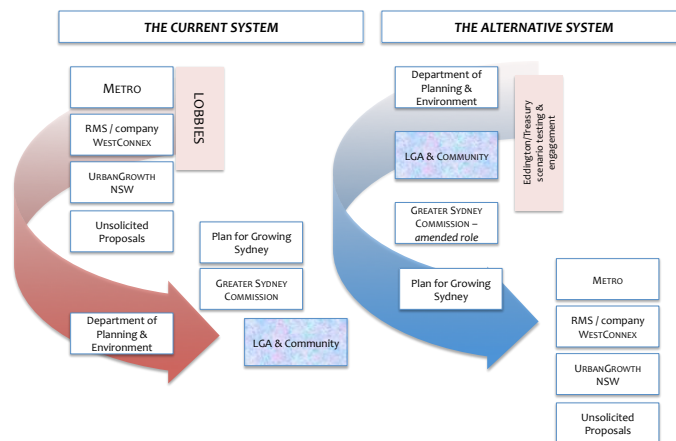
- d. **Forced the projects on communities through non-elected apparatchiks in statutory agencies which themselves have defective legislation.**

Of course NSW will proceed regardless of Federal misgivings, as did Labor in NSW and Victoria, but that is no reason for iA to join competing fan clubs at risk of its reputation. Naturally COAG should do a complementary, not harmonised, role in order to achieve the best possible population growth, infrastructure improvement and economic and environmental outcomes. That is not being done now.

Political/ideological battles and suppression of logic over Metro trains, urban freeway “missing links”, the Parramatta to Epping line as part of Chatswood to Parramatta (with nary a squeak of protest even though all the ideologues are now claiming to be helping Parramatta), all threaten Sydney’s sustainability. Omitting Maldon-Dombarton shows a lack of knowledge of eastern seaboard logistics economics and engineering. iA’s own ranking of a tram from the CBD to Green Square as “among the nation’s top infrastructure priorities... due to road congestion” without mentioning the two stations in the zone was a self-condemnation of iA: my case study will show the reasons for that judgement as with the other cases.

2. Governance is so wrong

Governance matters – see the Auckland Royal Commission. That not one official agency is addressing such frameworks is a sign of the poor approaches within Australian governments and lobbies. Indeed, the influence of lobbies is the main reason for the dysfunctionalities of governance and failure to achieve housing, congestion, sustainable financing, environmental and like outcome-based PIs (which are also absent, the Council on the Cost and Quality of Government’s Report on these was not published). The lobby influences are even exercised through direct memberships and appointments which have been mapped. The solution to the “planning problem” is also a solution to governance failures as documented at length in the reports that will otherwise be posted on the Revitalise website, summarised in this copyright illustration:



There are long discussions of best-practice governance within Australian traditions and principles, with flow-charted solutions, and a reliance on the implementation of Treasury and iA methodologies *ab initio* and properly – not evaded as at present. Having done almost nothing to achieve its goals, iA endorsed the Metro without any credible review while the NSW Government was demolishing community inputs and regulatory systems – 180° “arse-about” as Greiner put it. That iA is part of that sad formula is astonishing.

Indeed, the precedent of a failed Premier being replaced will be posited as a possible outcome - in NSW and specifically Sydney there are major factors which disfigure democracy almost beyond recognition. The greatest travesties happen at the bookends – election lies and implementation deceits. Both heighten an instability between pro- and anti-development factions under the pressure of unlearning advocates of high-rise developments: the consistency of a normal project pipeline has been lost. A supposedly commercially astute government is making obvious market mistakes in its urban directions. The watchdogs of the past have gone – no universities, lobbies or professions have the wit or courage any longer to alert the community to such sad realities.

The Government has admitted it discards correspondence from professionals and the community over problems in the health portfolio, but the Blue Mountains’ economic and tax crises, the lack of basis for council amalgamations, and even perceived corruption were treated similarly. Governmental and industry structures are silos within silos and break Lord Acton’s dictum that “Everything secret degenerates, even the administration of justice; nothing is safe that does not show how it can bear discussion and publicity”. Democracy is defeated by self-interested lobbyists/donors who cannot see the benefits of engaging communities in setting negotiated planning outcomes and expanding financing limits. To quote legendary head of the Premier’s Department Gerry Gleeson’s *Spann Oration*,

The proliferation of advisers can lead to tensions, arguments, differences of opinions and often resentments. Political advisers should be carefully chosen as they were in the early days of the Carr Government. However they are now often chosen for political reasons with

inadequate qualifications and experience in the portfolio area. They have a privileged position, close to the ear of the Minister. They are the entry point for lobbyists.

Consult Australia produced *Capturing Value – realising new funding for infrastructure and urban renewal* in 2013, with the following principles (all currently absent) to be implemented:

1. Develop a comprehensive, long-term plan
2. Embrace genuine and robust stakeholder consultation*
3. Carefully select the improvement district
4. Create a shared vision
5. Establish a clear and balanced governance framework
6. Understand the risks and rewards for all stakeholders
7. Use incentives to attract private investment and better design
8. Secure the ability to influence outcomes
9. Build trust as a core value.

All this is admirable but reality is well behind theory.

* should be “engagement”

The urban budget, if achieved, would encompass Federal and State governmental sources (general subsidies and programs and of the “tax incremental financing” method), private contributions from all sources including §94 covering local infrastructure, and profits from land-banking especially use of “brown fields” or recycling of army and utility properties, and so on. (State and LGA developer charges are dealt with together here as they suffer parallel defects.)

This is a next to impossible task in Sydney and is not covered by the Greater Sydney Commission Act.

The NSW Minister for Planning put the same perspective this way in his PhD thesis in 2007 (then experienced a “fall off the horse” on the road to Damascus under the tutelage of his surfing pal the Premier, with his own mis-statement of history here – wrong about communities not having influence before):

*Public participation in NSW planning law is almost entirely controlled by the executive arm of state government and the officials who promote urban consolidation as the legitimate expression of the public interest. Enabling local councils to make their own LEPs [Local Environment Plans] would ... promote democratic, transparent and accountable policy making. **The progressive erosion of effective democratic institutions in planning by state governments is likely to increase the political potency of planning as an election issue at a state government level.** He says a new Sydney Planning Panel – to take the place of two joint regional planning panels – will shift more power to councils in approving developments. And he says the community will also be able to help shape significant plans for the city. It has never been possible before to be involved in the creation of district plans that have an impact on your local plans. There are some more avenues for participation than there were and there is the capacity in future for that participation to get greater over time as well. We are trying to go back to a more inclusive way when people thought about 'where do we have new suburbs, and how do we join them with walkways or bike paths or whatever it might be'. Using meaningless participation as a facade to cover over disagreement merely clogs up conflict, creating a dam of resentment, which spills over in the form of increasing litigation, loss of trust in politicians and administrators, and poor planning outcomes (SMH 9 Nov 2015).*

On the basis of this page, one would expect the Minister to applaud the current approach to iA.

The Greater Sydney Commission’s legislation has drafting errors, negates community representation, ignores the lessons of history (especially the real, not incorrectly supposed, causes of failure of the Cumberland County Council), and worst of all, prohibits it from considering projects not in the Government’s grab-bag – so the community is disenfranchised (as by UrbanGrowth) and GSC is bound to fail. This adds to the confusion, misinformation and failed delivery of integrated planning and local government reforms from 2012. In NSW, and Victoria from 1994, amalgamations have increased the distance from people to councillors and even eliminated a local franchise such as in East Gippsland. That a new planning act with better features than his intentions and the various disasters left from 2012 is already available has not occurred to the Minister for Planning, it seems; while local government is continuing on its 19th Century way, unreformed and unrepentant.

The Newcastle inner rail controversy raged so long because a succession of “planning review committees” were comprised mostly of property interests with their silo values dominating economic, land use, community and demographic interests. It was a microcosm of NSW in Dr Bowditch’s terms.

Since the crisis of 2009 when COAG tried to intervene on behalf of all other States and Territories, there has been no continuous improvement, instead the “fiasco” has become a “crisis”. This meets Einstein’s definition of stupidity.

There are three other matters of political/personal sensitivity which I cannot reveal at this stage.

3. The Solution Set

Democracy is broken, it must be fixed lest our descendants hold all of US in contempt (instead of the NSW Cabinet). We have the exemplar in our own recent history. Bubonic plague broke out in January 1900. Panic ensued. Blame was sprayed from every corner of the New South Wales polity. Typhoid fever, consumption and gastrointestinal infections were an everyday reality for many families, with more than 1 in 9 infants dying each year. The dreaded smallpox was on the horizon again. But the Black Death was a death knell.

A difficult peace that was being developed between the State Government and the City Council fractured. At the December 1900 elections such citizen-reformers as Dr James Graham, Thomas Hughes, Jack Fitzgerald and John Garlick took the helm of the Council. They inherited a Council of low repute but asked to be judged by their own efforts, not their predecessors’. They worked with the Health professionals and sometimes against Chief Secretary’s, Treasury and the Harbour Commissioners, to achieve results. The Council wrote many Bills which were put to the Government: some were passed, some were ignored, some were modified. The Council negotiated major financial, operational and engineering schemes which reversed the public health risk. They initiated a planning Royal Commission which served as an international exemplar. They were also pushed and prodded

by the State Government which was often defensive over their agencies' failures. "They" - one reformist Alderman (Jack Fitzgerald) and one architect (John Sulman) - set up Australia's town planning movement.

The bigger "They" – the Council and its allies - drove many of their reforms through, changed the political environment, and earned respect through their determination and evident sense of fairness. That generation turned Sydney on its head, to the point where Sydney had a "planning consensus" (Spearritt) and came to lead the world in transport, urban redevelopment and some health policies. They learned from Europe and America but added their own nous and initiative. They complained about rotten boroughs and incompetent and disinterested municipal administrations, which with their contempt for State Government pushed them towards Greater Sydney.

Sydney 120 years later has a crisis manufactured by business leaders. They are in lock-step with conservative national and state governments to avoid accepted checks and balances in pursuit of their internal profit objectives, and to impose on families and small businesses a crippling load of debt and operational disturbance while they reduce risk and increase returns. The Tourism and Transport Forum has pushed metro trains unmercifully but admits it represents the 200 biggest operators – no, that is not democracy! The new "plague" is the Hong Kong metro model of suburban densification as decried by AECOM's Asia-Pacific head. A perpetuation of inter-generational ineptitude arising in the 2000s is proceeding apace. On a previous occasion a Liberal Premier was outed for planning incompetence, could it happen again?

It hardly seems to matter in this context that the names of the past leaders like Bradfield's have been besmirched by politicians who not understand history and who are trying to excuse their mistakes like children caught misbehaving. I hope you agree that we Australian and city citizens should care and force our three levels of representatives to act like responsible adults.

iA's stated roles include to

... publically advocate for reforms on key issues including financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks.

If iA is serious, it will adopt the Revitalise suite of reports in a process that meets the following required stages:

- Pay access fee and sign confidential deed
- Form project team
- Due diligence – maximum 1 month
- Schedule of agreed modifications to meet "green paper" standards (4 of)
- Pay full fee for Intellectual Property
- Brief COAG
- Proceed to proper community engagement

It is proposed that the PM speak to the NSW Premier to persuade him to co-operate in funding an RG series of Green Papers – this would have the added advantage of releasing RG's projects IP for the benefit of Sydney and avoiding embarrassment associated with RG having to publish his critiques including of the Greater Sydney Commission. The Metro train and WestConnex projects have major problems not least of which are probity, governance, funding and systemic practicality. iA can revert to its proper status.

In absence of such agreement, iA would bear the full cost of IP and agree to critiques of the NSW Government.

Extensive correspondence and other documentation is available on all topics. I hope that there will be no delay in responding via telephone in the first instance and then formally. Considering all aspects, I must ask this happen within one week of today's date, i.e. by 2 p.m. on 22 August. I am not prepared to wait longer than that in the public and private interest. I have to say considering the delays and lack of care for community seen in governmental systems, if this correspondence cycle fails on your side, it will be published.



ROBERT GIBBONS

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