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Rebuff to Metro's Response to comments on CBD Metro Environmental Assessment

Infrastructure Australia wants the states to work on four areas: better analysis of each problem or challenge; better consideration of options; linking of proposals with long-term corridor and network needs; and better analysis. They also said "learn from past mistakes" - mainly made by states and failed entrepreneurs.

How people power can get the job done, SMH October 13, 2009

I received a letter dated 15 January from Mr Rodd Staples which I was grateful for but have to comment on - first with some general comments then detailed matters. You will recall that I systematically addressed the Department's requirements and the objects of the Act, as you require the Metro Authority to observe (see appendix).

As to why Mr Staples wrote to me at all is interesting, acceptable but isn't Planning in charge of this process? The Director General set out requirements which the Metro accepted in the Assessment but which I believe have been effectively ignored, rejected or misunderstood in the Response. There are previous examples of the DOP rejecting assessments and/or imposing severe but fair redress conditions.

Mr Staples knows better than to describe me as an "historian" (and then to misstate history as below), and to anticipate me helping him to implement what I regard as arguably the worst project in Sydney's history. Apart from everything else, duplicating the radial rail system is missing the great opportunity of applying the Government's generous funding to extending the coverage of the public transport "skeleton" within and outside the built-up area. At worst, it is a waste of money: the wrong location, wrong route and wrong timing, intrinsically and compared with alternatives. There are better approaches and options. It matters not if the Metro program is funded from the proceeds of electricity privatisation – apart from everything else, that is our money and we can spend it more wisely, me and the other citizens of Sydney and the Government on our behalf.

I am an economist and political scientist as well as historian, and am one of Sydney's leading analysts of transport and more general planning with 38 years' experience. Mr Staples knows this as I worked with him on an economic analysis of the Anzac Metro when he was in RailCorp. I have worked with another eminent economist to do a broad appraisal of the project which will throw real doubts about this option against others. The Metro Authority should have done this is the "value for money" stream of the assessment.

I explained in detail why the Environmental Assessment should be sent back, in terms praised by the then-President of the Planning Institute of Australia. (PIA wants an immediate cessation to both Metros for their reasons as they explained in detail.) I heard tonight Minister Albanese's statements along my lines of concern – in tomorrow AFR, that there is no largesse to come and resources must be spent wisely. The CBD Metro is a violation of such prudential principles.

I now note that there has been another re-definition of "the project" with confusing signals (the North East was in and is now out, the North West is now served from Westmead not Rozelle despite the map! – the NW Metro is out and in and out depending on which section you're reading as I cite later). The Metro's grade has been set at 50% greater than CityRail's maximum to make this

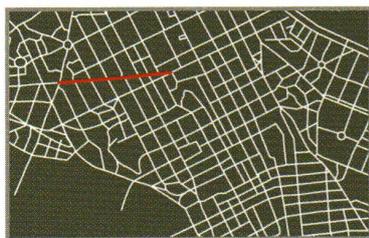


second-rank option work. All this adds to my concern that \$5,000,000,000 and progressively more of public money is at risk of being spent unwisely, leading to the further decline of Sydney's reputation given that we are already regarded as having poorly-planned solutions and confused processes leading to commercial disasters. Every document is a variation on the previous ones. There have been so many changes since the first Rees announcement and it is time to STOP and THINK as kids are taught in our schools.

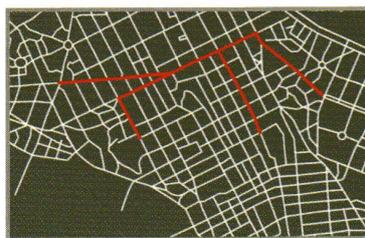
Infrastructure Australia warned all States about violating its published criteria and process requirements (to these add COAG guidelines as understood from media reports and websites), with other States having superior claims. The Government is guided by reports which are lacking in analytical terms. Dr Glazebrook's work is mentioned, it is interesting but another such analytical framework; but not Sir Rod Eddington's, an excellent precedent in both London and Melbourne (see chapter 9 of the East-West Link study). NSW has massive needs and scarce funds and is not learning.

Sydney needs a systematic re-planning exercise – not Metro, not Evans & Peck/Blueprint, not Glazebrook, not Infrastructure Partnerships Australia, not FROGS, and even not the Herald's Christie exercise (unless it surprises us favourably); but like the London Commission of 1990 and my own proposals for a new Improvement of Sydney Commission. Needs are massive, resources are limited, the stakeholders (voters, investors and travellers) are cynical and restless. Having read the Metro Response, the Government needs to have a good hard look at this graphic and balance or reverse the Metro Authority's directions:

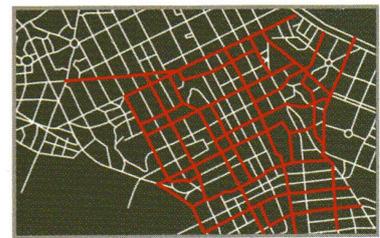
HOW MUCH PUBLIC TRANSPORT DOES A BILLION DOLLARS BUY?



10 kilometres of subway



50 kilometres of light rail



250 kilometres of BRT

Volvo illustration, dated numbers – 1 billion is now more like 5 except for the CBD Metro which is c10

There is an excellent comment from someone – who? – under 4.1 “process” which really relates to many profound aspects: **“The Sydney Metro Stage 1, Central to Rozelle project is an example of how infrastructure projects in Sydney are released without the necessary prior strategic framework. The current legislation relies on ad hoc special state policies to circumvent normal processes”**. I agree (except that the legislation does require analyses and comparisons not published by the Metro) and so should the Department, in its own capacities in my view, if balance is to be restored.

My own point about projects wrongly being treated individually and not as links in the overall network with shadow tolling and integrated land use/transport planning, has been lost by the Metro – yet it is vital to improving Sydney. I'm sure that whoever submitted that blue comment would appreciate proper acknowledgement and linking with my and others' similar concerns; and that PIA, ACEA, Neville Wran and Nick Greiner *inter alia* would say yea to both of us.

Most of my points were not answered; and in one notable case the whole subject was redefined to exclude having to answer my and possibly others' points (see 4.64 below). The relevant legislative and “best practice” cases have been ignored apparently – with economic, financial

and community analyses being critical under Roskill (Peter Hall's "Nonsense on Stilts"), ISTE, UK, COAG and other highly relevant cases and guidelines but absent in this whole process – to Sydney's shame.

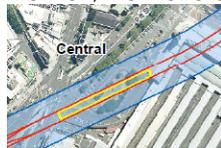
Another major problem is the lack of information about tunnel and station alignments at the CityRail intersections as there are real doubts in my mind about depth, distance, safety and accessibility parameters – Appendix C's surface illustrations exclude CityRail and are insufficient. Construction proximity blew up in the media recently. Customer and operational impacts remain to be properly discussed as many commentators have said that the Metro will be unusable for many travellers and deleterious to the main systems of Sydney for a long time to come.

I see that the system is to be powered from renewable sources. Has anyone worked out that traction needs are significant and that the total of NSW Government commitments (including desal) is approaching stellar levels? Can the cumulative commitments be delivered? I have no philosophical issue of course.

I noticed the following:

4.9.3 Use of country platforms

The Metro says "Provide the opportunity to generate additional capacity on the CityRail network by using Central Station's underused country platforms as a gateway for the Metro through to the CBD", is this not at odds with press statements and the following graphic from Appendix B? (if the words are the intention, the Metro is dishonest):



I have been through the documents but cannot be sure I have covered everything. However there is a valid comment therein that there should be a public hearing and I want to appear before such a hearing with adequate notice so that I can prepare properly. I agree with the Property Council's reported comments that construction should be deferred pending a proper determination of land use/transport and like matters; and the PIA's statement that both CBD and West projects should be deferred for the same reason.

A deep concern about land use/transport planning disconnection underpins my concerns.

Finally, I remind you of the Herald's editorial on 9 September last year, along these lines -

IT SHOULD surprise no one that bureaucrats have been keeping dire warnings about the needs of the rail network away from state cabinet because they are politically inconvenient. That, after all, is the way things are done in NSW. The management of public transport here does not involve planning as that term is normally understood. Instead, change happens as a series of nasty surprises sprung on ministers at the last moment as a way to scare them, sheep-like, into approving developments which further the interests of this bureaucracy or that interest group.

.... New metros have been mooted, only to be revised and cut back in their turn. None of these projects has ever, since Labor last came to power, formed part of a thorough assessment of Sydney's transport needs - or at least, not one thought worth making public, let alone sticking to.

Only now, after the decision to proceed with the enormously expensive, very short CBD Metro has been made, is thought being given to how it might fit in with other transport modes, in a blueprint promised for release later this year. The awkward fact is that it does not fit in its present form and will improve services only fractionally....

Transport decisions in NSW are determined not by need, or land-use considerations, but by politics of the most depressing kind. The main players are not transport experts or planners, but the state Treasury, implacably opposed to borrowing to build public transport and the rail and bus union, which has made public transport rigid and excessively costly, and convinced even Labor governments to keep future projects

out of public, and hence union, hands. Hence the desperation among the third group running public transport - the spin doctors around the Premier - to start the metro, a public-private, non-union venture, even if the planned service goes nowhere.

Transport in NSW is in a crisis of underachievement.

* I disagree with this point, to a degree, as explained in my submission.

As I submitted to the Blueprint Panel, and would say to the Department or anyone else, if it includes the continuation of the CBD Metro and a radial pattern of extremely expensive new routes duplicating what we have already, without answering all of my and others' serious questions, what value is the Panel to NSW? The Metro Authority addresses such questions with what I regard as platitudes; or as a former Deputy Premier described it to me, "sidestepping". So many questions have not been answered to date.

DETAILS

The two volumes of report appear to be well-indexed except that Appendix D makes it impossible for the community or stakeholders to ascertain "who said what". This is a defect in my view.

My submission was said to refer to 12 sections and the order listed by the Metro is as follows. I was quoted in many others as I will explain after the table, also some sub-sections are so substantial that they should have been listed separately in my view:

| | | |
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| 4.2 | Project funding | 6 th bullet point is mine. My concern has not been fully quoted nor answered. "100% Govt funded" seems to not be supported by Parliament, is it correct to continuously state that? If not, document is inappropriate. The 35-year term is way outside US legislative limits and increases the total cost of repayment of capital (extent should be published). Treasury appears to be saddled with 100% of the risk with genuine PPPs being unavailable (operators would be contractors not participants – they will take money sitting on the table but risk none of their own without 100% guarantee). This is perverse and unnecessary. COAG PPP guidelines might be violated – financial details need to be revealed. |
| 4.54 | Integration of modes | My comment was "Why has the extreme western end of Central been selected for a terminal, so far away from the suburban platforms but close to buses and trams, both surface routes?" My concern remains unanswered. Rail commuters will not change. Potential Metro customers have street-based alternatives. |
| 4.58 | Commuter behaviour | I made no comment as quoted; although I have the same concerns which have not been answered except with platitudes. The data sought have not been provided. |
| 4.83 | Sufficiency of assessment | Same as in previous item – my general comments particularly pertain to this item. |
| 4.10 | Metro Network | Same as in previous item |
| 4.11 | Need for integrated plan for Sydney | It appears that a point I made was paraphrased: The project contradicts the State Plan's Metro component in the Urban Transport Statement (2006). That contained the NW and SW links as priorities. The points are good ones and have not been answered. |
| 4.14 | Design process | I made no comment as quoted; although I have the same concerns which have not been answered except with platitudes. The data sought have not been provided. |
| 4.20 4.20.3 | Design other | I made no comment as quoted except for cavern stations; although I have the same concerns which have not been answered except with platitudes. The data sought have not been provided. There has been no justification of caverns as against City Underground stations and I maintain that the Metro is avoiding this issue and the costs and risks associated with it. |

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| 4.6 | Light rail and other alternatives | Metro statements such as "capacity enhancements to Sydney's rail network as well as facilitating future public transport corridors" are incorrect. Metro has not addressed my points on the NE Metro (not quoted in the list). 300 seat buses are mentioned but not understood. |
| 4.7 | Justification | I made no comment as quoted; although I have the same concerns which have not been answered except with platitudes. The data sought have not been provided. My comments are profoundly concerned with justification but have not been reported by the Metro. |
| 4.8 | Cost of tunnelling | The Metro has not understood my comments about bridging, the proposal I have worked up contradicts both Metro statements and the Metro project. The cost of duplicating the Underground via a service from nowhere via nowhere to nowhere and which is almost remote from Barangaroo is so obviously absurd, patently Pythonesque, and the Metro has not dealt with this. In addition, there are routes underground/bridge V underwater and the Metro should address these under IA and like guidelines. |
| 4.9 | Project cost | I made no comment as quoted; although I expressed the same concerns elsewhere which have not been answered. The data sought bvia interpretation of the Department's requirements have not been provided. This is profound and the Metro is glossing over genuine concerns. |

Most of the mentions of my work were in headings not listed:

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| 4.1.1 | Routes in project | There have been more changes as noted previously. Will every iteration have variations? There is a lack of organisation and commonsense that needs to be remedied. |
| 4.3 4.6.2 4.10.1 etc | Metro history | The repeated statements that the CBD Metro was initiated in the 2006 Urban Transport Statement are incorrect as I pointed out – the first mention of that (seen) was in late 2008 as part of a confused negotiation with IA. Christie's River line was published in 2001. The Christie Report had the first definite project proposal but the timing was for c 2011 – for commencement of appraisal I believe. The first mention I found was in 2000 (UNSW). The ANZAC Metro was announced in 2006-07 and serves a better purpose for reasons I explained and which the Metro has not answered. Cost, patronage, bus relief, land use and other significant indicators point that way. My chronology might have been quoted if the Metro was interested in historical accuracy. There are many such boilerplate text sections throughout the Response, this being especially inappropriate. Another is the Metro stating Government policy as though the Metro sets Government policy. The impression left is of smoke rather than light. This applies also to the next item. I want the Metro and Minister Campbell to stop misstating history, please. |
| 4.6.2 4.7.1 etc | Extend heavy rail | It is incorrect for the Minister and Metro to say that other cities started their Metros in the centre as though that excuses the CBD Metro. Sydney did start its electric services along those lines – from 1908 and from in 1926/32, with previous STEAM lines terminating in Redfern. Paris (1900) and London had to because their rail systems had been stopped at the perimeter. Cities without rail systems sensibly start in the centre <u>as our great forebears did</u> . We have a Paris Metro already which the Minister and Metro cannot acknowledge – why?!? A sensible strategy would see it utilised and adapted instead of duplicated – rail traffic needs to be diverted away from the CBD as I submitted. As I explained, the Metro will not relieve congestion and the Metro has not countered my points. Victoria Road congestion will be worsened. It is incorrect for the Metro to say otherwise. I have to say that other cities have managed rail projects much better than Sydney has, including Melbourne and London. I believe that Sir Rod Eddington should be brought in to apply his expertise and experience to our |

benefit at our time of confusion.

4.6.7 **Global Arc / NW Metro** Metro statement is incorrect – indeed their statement is “The proposed Sydney Metro network (Metro Line 1) will provide direct access to the Global Economic Corridor via the important Victoria Road corridor to the North West. Metro Line 1 provides a “cross harbour link” to the North West of Sydney”. This appears in various places.

The ANZAC Metro will do this but the CBD Metro even via Rozelle does not, at all. Again, the Metro should cease making such statements.

4.6.8 **Circumferential ring road** The Metro has not stated or analysed my point even though I explained it in detail. It is a valid alternative to the Government’s concerns with other measures (in progress to public release).

4.6.9 **Anzac Metro and value for money** The Metro has not understood or has mis-reported my points.

4.7.2 They are substantial. Some of the quoted views are silly such as “The alternatives were only evaluated on cost” as this was not done.

4.6.4 I questioned patronage numbers – this was glossed over wrongly. As I understand it, current patronage estimates are for about 14,000 per 3-hour peak period (22,000 by 2031). The Environmental Assessment stated that 10,000 residents live within walking distance of its projected route. Likely patronage without capacity strangulation of buses is likely to be equivalent to 1 or two trainsets per hour.

If either is right, the CBD Metro will be a spectacular commercial embarrassment, a world-class red face. There are better options!

One of the comments is telling – mine, not properly reported. The full text is

“there is no discussion of the options discussed here [circumferential road, bridge, bus rapid transit, express people belts etc]; and the “value for money” discussion does not report any scenario testing of patronage and related variables, key economic and financial indicators, or operational indices related to customer accessibility and friction including numbers/% of transfers and percentage of time spent thus, travel time, cost (fares and other), and the like”.

The Metro statement of my view was

“The ‘value for money’ discussion does not report any scenario testing of patronage, key economic and financial indicators, or operational indices related to customer accessibility and friction.”

I suggest that this is a misleading treatment. Certainly the concerns are real and serious and have not been answered. Fares is a matter discussed later.

4.7.3 **Indicators** The Metro has glossed over my substantial input re international system reviews and the measures I submitted to the Director General – this was substantial and deserved to be discussed seriously.

4.9.2 **Benefit-cost** There were many valid comments, none answered by the Metro. My page 24 was not reported in any adequate manner and this was insulting to me, my effort was sincere.

4.9.1 **Fully funded** This statement and the PF aspect are not correctly dealt with.

4.2 I am reminded of the SMH’s Economics Editor Ross Gittins views of 31 October 2009:

Get this straight: if you think we should be spending a lot more on economic infrastructure, you can’t be chicken-hearted about government debt....

The simple point is that, to a large extent, spending on capital works has to be financed by borrowing. That’s the way the private sector always does it and governments have to do it, too....

And don’t delude yourself that the impasse can be avoided by resorting to “public-private partnerships”. At best, this is just creative accounting as the borrowing to finance government initiated infrastructure is shifted from the public balance sheet to the private sector balance sheet.

The mug punters go away happy, but the economy-wide effect is the same. At worst, PPPs involve hard-nosed developers taking weak and venal

governments and their taxpayers for a ride.

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| 4.10.2 | Anzac Metro | Metro quoted the less consequential of my comments – unsatisfactory. I hope that the Department does better. |
| 4.11.1 | Precedents | Avoids mention of Eddington here and everywhere else. |
| 4.13.3 4.54.3 | Rozelle interchange | I stated a concern over flyovers and the like – as would be relevant if this was a serious effort and if the road system was understood. My concern was not reported. The deletion of any bus interchange at Rozelle reveals the project to be a rail farce. |
| 4.15.1 | Driverless trains | Metro comment is inconsequential. The point remains – see BART and Melbourne. As I said – if the Government has an industrial concern, deal with it through industrial legislation, don't inflict a crippling cost burden on future generations. |
| 4.15.4 4.17.2 | Depths of stations and tunnels | The Metro comments are courageous – they give away grade, depths and walking times in a manner reminiscent of Sir Humphrey's practices. I doubt the accuracy and want similar analyses to the ones I gave – why not? |
| 4.16.1 | Access charge | EcoTransit's point (possibly based on my discussions with them) was not properly analysed – see above. ALL performance indicators should be reported openly and accountably. |
| 4.20.3 | Caverns – risks + costs | The Metro got this analysis wrong. This is a truly important issue of relevance to the whole government sector and the Metro must not be allowed to prejudice Sydney's future so. |
| 4.64 | Economic and social evaluations | This was a major heading in the Department's requirements and I addressed it seriously. The Metro has redefined it to exclude the Director-General's and my concerns. On this measure alone, the Response should be rejected and sent back. |
| 4.75.1 | Land use | <p>The concerns about capturing value have been glossed over. I have much to say in addition to my submission – this situation in Sydney should appal the PCA, TTF, Syd CoC, the PIA, the ACEA and all others. As an example, The UK Government will contribute around a third of the construction cost of Crossrail, paying approximately £5 b during construction. Crossrail farepayers will contribute a further third, with revenue servicing debt raised by Transport for London and Network Rail during the construction period. London businesses will contribute the final third through a mixture of direct contributions (paid by those regarded as key beneficiaries along the route) a supplementary business rate (see below) and contributions from property developers. CrossRail will add about 10 per cent to the London region's heavy rail capacity.</p> <p>No such arrangements are even close to being implemented in Sydney – despite multiple previous efforts (almost all misguided and mistaken). The "Improvement" generation showed us the way as I have written in the SMH.</p> |
| 4.8.3.1 4.8.3.3 | Eddington | <p>This is among the most contentious of the Metro's discussions. It should be rejected and replaced by that of the PIA.</p> <p>I note that the Technical Paper on "Economic and Social Assessment" has been removed from the Metro's website.</p> |

I add, in view of community, political, journalistic and professional cynicism about the state of NSW transport and land use planning, formulaic assertions which bear no relationship to reality ("spinning") are well beyond their use-by date and increasingly so. The restoration of credibility in all levels of government, the investment community, the professional associations, and the community, was the central thrust of my submissions to the Department, the Metro and the Blueprint Panel. The Metro has not addressed my concerns in any meaningful sense.

I trust that these views and others' will be taken seriously. I have thought deeply about these matters and believe that Sydney's sustainability is at risk. I and others have to take this threat to our grandkids's Sydney seriously.

To conclude in my political scientist mode, I will again share a quote which comes from one of my fellow ex-CEO peers:

... management methods are being mistaken for solutions and so, as if in some sophisticated game, the problem is pushed on with a long rational stick from point to point around the field.

John Ralston Saul
Voltaire's Bastards

Add this to the Herald's editorialist's thoughts as quoted above.

I want to see a world-class Metro system in Sydney as part of a genuine plan to make Sydney sustainable. I despair that the current program is failing the current and future citizens of this great city. I hope that the Department can rise to the challenge as it has in the past, and it is the Department I am prepared to support in implementing a strategy, not the Metro Authority as it stands.



27 January 2010

Appendix

I believe that the Metro has not addressed these issues in the manner I described or as done in other jurisdictions which have better satisfied community and governmental stakeholders.

Director General's requirements

Strategic Justification – describe the strategic need, justification and objectives for the project (including performance indicators and patronage scenarios), and consistency with NSW Government directives and the aims and objectives of relevant State policies and publications, such as the *State Plan* (2006), *City of Cities: A Plan for Sydney's Future* (2005), the *InnerWest Subregion – Draft Subregional Strategy* (2008), and the *Sydney City Subregion – Draft Subregional Strategy* (2008).

Project Justification – identify alternatives to the preferred project considered (including alternatives to the project itself, the alignment, station, stabling and maintenance facilities, and ancillary facility location options), and justify the project taking into consideration the objects of the *Environmental Planning and Assessment Act 1979*. This should include demonstration of how the preferred design meets the transport objectives for the project, particularly with respect to achieving additional public transport capacity to, from and within the Sydney CBD.

Operational Transport Impacts and Interactions – including:

- a strategy to ensure that new rail stations will be integrated with existing and proposed transport infrastructure and networks, facilitate efficient mode change and improved accessibility, including for pedestrians and cyclists;
- indication of how the project will be designed and implemented to facilitate a potential extension of the metro system, as relevant; and
- interaction with and/or protection of existing and proposed transport infrastructure and corridors.

Social, Economic and Land Use Implications – including:

- consideration of local community (services, access and amenity) related changes during construction and operation and proposed measures to minimise these impacts;
- details of utilities or properties impacted by the project, including in relation to acquisition, access, and business viability;
- consideration of integrating the project with surrounding current and future land uses, including the potential to enhance the public domain.

Objects of the Environmental Planning and Assessment Act which include:

(a) to encourage:

- (i... the social and economic welfare of the community and a better environment,
- (ii) the promotion and co-ordination of the orderly and economic use and development of land,
- (iii) the protection, provision and co-ordination of communication and utility services,
- (iv) the provision of land for public purposes,
- (vi) the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats
- (vii) ecologically sustainable development, and
- (viii) the provision and maintenance of affordable housing

(b) to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and

(c) to provide increased opportunity for public involvement and participation.