



Committee
for
Sydney

Sydney Harbour

Our greatest asset

August
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place
design
group.

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Foreword

Place Design Group are proud to support *Sydney Harbour: Our greatest asset*, a landmark report on the health of our harbour.

As the symbol of Sydney's prosperity and liveability on a global scale, the Sydney Harbour is not only our most precious asset but one which we must protect and enhance for future generations. Whilst a place for recreation, leisure, celebration and socialising for locals and visitors alike, it is under pressure from our city's ever-increasing growth and popularity. For decades, the administrative complexity of Sydney Harbour has grown, causing segregated operations and management, and the inability to govern and curate as a whole.

The Harbour has many and varied users, but it is ultimately a finite resource. We are at a point where as a city we have lost sight of the big picture and what really matters. This report outlines the significant challenges we face, as well as a new way forward. These ambitions are achievable under strong leadership, streamlined arrangements, a place-based approach, collaboration, and investment in making it happen for our city and its citizens.

Waterfronts are a critical component to Place Design Group's footprint across Pan Asia. As a leading international planning and design firm, we firmly believe that it is indeed these public realms such as Sydney Harbour that are the true anchors of our cities and must be given respect and prioritisation to ensure a city's sustainability and growth. We are incredibly excited to have worked with the Committee for Sydney on this report and to shine a spotlight on our great harbour and the opportunities to safeguard its future.

We commend this report and look forward to a public conversation about the future of our greatest asset.

Beth Toon
CEO | Executive Director
Place Design Group



Introduction

*“Without exception,
the finest harbour
in the world.”*

Captain Arthur Phillip, 3 July 1788

Sydney Harbour is Sydney’s most precious inter-generational asset. It is a meeting place where communities come together for celebration, and for 60,000 years+ it has provided for the people of the Eora nation. It underpins the ongoing success of Sydney as a prosperous and liveable city – it is the seed from which the city has grown and continues to shape it. An outstanding natural asset of great beauty and diversity, it is a key element of Sydney’s global competitive advantage.

The Sydney Institute of Marine Sciences has conservatively estimated the value of the harbour to be in the order of \$43 billion and growing.¹

It continues to be an important link to the world, a functioning bulk dry-goods port, public water transport corridor and the eastern base for naval defence of our country. It is the first port of call for more than 90% of international cruise ship passengers to Australia.²

It is a favourite place for recreation, leisure, celebration and socialising, contributing to the health and wellbeing of residents and visitor alike, blessed with expansive parklands, cultural attractions and international icons. Indeed, many of the Sydney’s most significant cultural institutions and popular visitor destinations are located along its shores including the Sydney Opera House, Sydney Harbour Bridge, the Royal Botanic Garden Sydney, Luna Park, the Sydney Fish Market, Cockatoo Island, Taronga Zoo, Walsh Bay, Darling Harbour and The Rocks.

However, Sydney Harbour is a complex and dynamic place under increasing pressure from the growth of our city and its own popularity. The harbour has many and varied users, but is ultimately a finite resource. Our ability to deal with these growth challenges is negatively impacted by administrative complexity, competition for scarce space and public passion for the place. Over many decades, it sometimes appears we have shifted away from viewing Sydney Harbour in a holistic manner to one in which individual decisions are made without keeping the bigger picture in mind.

Ownership and management of Sydney Harbour has split and diluted over the last few decades through a succession of different government restructures. Now, many aspects of the harbour are administered by state government agencies with sectoral interests for the entire state, such as transport and property.

A new way forward is required, where collaboration replaces competition, custodianship replaces complacency, and trust replaces controversy. These ambitions are achievable under strong leadership, streamlined arrangements, a place-based approach, collaboration and investment in making it happen for our city and its citizens.

The Committee for Sydney, with support from Place Design Group, have explored the current obstacles preventing Sydney Harbour from being the best it can be. Bringing together members of the Committee with a passion and interest in the harbour, we have identified simple changes that will shift the focus away from a narrow, sectoral and competitive typology and towards a more coherent and long-term framework.

For over 60,000 years Sydney has known how to hold a festival. Early recorded encounters between colonists and the First Australians talk of dancing, song and ceremony happening throughout the Sydney area. In what is now The Domain, the written record describes events and ceremony occurring as clans gathered to perform non-sacred dances and songs for the enjoyment of both locals and the recently arrived. Governor John Hunter, who looked after the colony from 1795-1800, wrote of the music and song of the women reaching Government House from Bennelong Point where they fished and paddled out in canoes. The shell middens around the Sydney area are reported as being up to 12 metres high and more like shell monuments to the gathering of clans as they feasted and discarded the cockle shells.

Wesley Enoch, Sydney Festival Director, 2018³

¹ Sydney Institute of Marine Sciences, *Our Harbour Our Asset - an overview of economic activities and values associated with Australia’s most iconic harbour and its use by the city that surrounds it*, 2015.

² Destination NSW, *Sydney Cruise Ship Passenger Survey 2013-14*, Final report.

³ Committee for Sydney, *Sydney Culture Essays*, 2017.



Sydney Harbour by the numbers

Sydney Harbour hosts the nation's most popular events

2.25 million people attended Vivid in 2018, incorporating the largest light show in the southern hemisphere, with a further **83 million people engaged via social media**.⁴

1.6 million delegates and visitors attended **business events** at the International Convention Centre Darling Harbour in its first year.⁵

1.5 million spectators attended the **2018 New Year's Eve Fireworks** with a further **1 billion people** watching around the world.⁶

1 million spectators attended the **100th anniversary celebrations** of the entry of the **first Royal Australian Navy fleet** into Sydney Harbour.⁷



Sydney Harbour is a major driver of NSW's visitor economy

In 2017/18 cruise tourism contributed **\$3.3 billion** to the NSW economy with most of that benefit accruing to Sydney.⁸

Vivid Sydney 2017 contributed over **\$143 million** to the state's economy.⁹

New Year's Eve Fireworks are estimated to inject **\$133 million** into the Sydney economy.¹⁰

The Sydney Opera House contributes **\$775 million** to the Australian economy every year and has a cultural and iconic value of **\$4.6 billion**.¹¹

In 2018/19, the International Convention Centre (ICC) generated **\$896 million** in direct delegate expenditure, of which **almost \$650 million came from international and interstate visitors**.¹²

22% of all international visitors to Sydney visit the Sydney Fish Market of whom **53% are Chinese tourists**.¹³ Beyond its direct economic contribution, the Sydney Fish Market is estimated to generate wider benefits in the order of **\$303 million a year**.¹⁴

8 AEG Group Pty Ltd for Cruise Lines International Association Australasia, Economic Impact Assessment of Cruise Tourism in Australia 2017-18, 2018.

9 Destination NSW, Media Release: Record attendance at Vivid 2017, 23 August 2017.

10 SBS, Eve fireworks display, with more than a million people expected to pack popular vantage spots, 30 December 2017.

11 Deloitte Access Economics, Media Release: Sydney Opera House worth \$4.6b to Australia, 7 October 2013.

12 ICC Sydney, 2018-19 Annual Performance Review, 2019.

13 Sydney Fish Market, Annual Report, 2018.

14 Sydney Fish Market, Sydney Fish Market Annual Report 2016, 2016.

Sydney Harbour is a magnet for public and private investment

\$3.7 billion mostly private investment in renewal of buildings around Circular Quay.¹⁵

\$6 billion urban renewal of the 22-hectare Barangaroo precinct, currently underway.

\$2.5 billion Darling Harbour Live – Sydney International Convention, Exhibition and Entertainment Centre, hotel and mixed-use development.

\$59 million new Barangaroo ferry wharves and **\$200m** proposed upgrade of Circular Quay Wharves.

\$207 million renewal of wharves at Walsh Bay to create a new arts precinct, currently underway.

\$273 million program of renewal for the Sydney Opera House, currently underway.

Over \$250 million proposed renewal of the Sydney Fish Market at Blackwattle Bay.¹⁶



4 Australian Financial Review, Tourist numbers surging for festival, 16 May 2019.

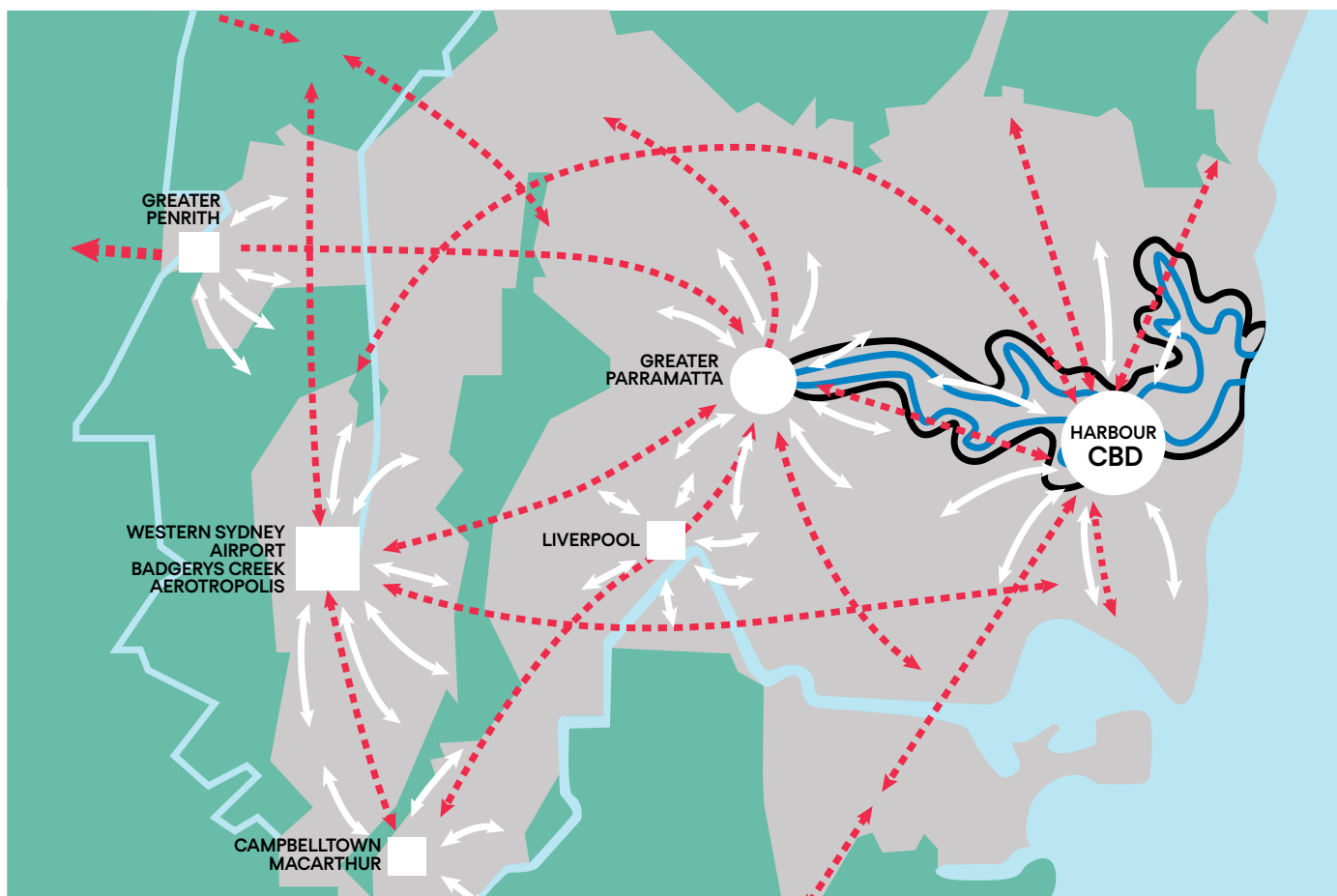
5 ICC Sydney, ICC SYDNEY TAKES HOME TOP ACCOLADE AT NATIONAL MEA AWARDS, 9 May 2018.

6 Sydney Morning Herald, Sydney's New Year's Eve celebrations "will be the best so far", 4 December 2018.

7 Sydney Morning Herald, Fireworks spectacular marks 100 years since Royal Australian Navy entered Sydney Harbour, 6 October 2013.

15 Sydney Morning Herald, Circular Quay gets a \$3.7 billion facelift and most of it is private money, 21 July 2017.

16 NSW Government media release, The Sydney Fish Market to be developed, 7 November 2016.



The Greater Sydney Region Plan, A Metropolis of Three Cities

Sydney Harbour connects our cities

Sydney Harbour stretches from its ocean entrance to the heart of Parramatta and includes the tidal waterways of Port Jackson, Middle Harbour, Lane Cove River and Parramatta River. Within the metropolis of three cities, it lies at the core of the Eastern City and extends to the heart of our Central City, linking the two.

Sydney Harbour has played a unique and pivotal role in the history and development of Sydney. Since the establishment of the first English colony on its shores in 1788, Sydney Harbour has influenced the city's pattern of urban growth and investment. Today, about a third of Sydney's population, or 1.5 million people, live in Local Government Areas around Sydney Harbour.

It has a surface area of 55 square kilometres and a foreshore of over 300 kilometres. The interplay between the foreshore and water defines the harbour experience.

Under the Greater Sydney Commission's vision of a metropolis of three cities, Sydney Harbour lies at the core of the Eastern City and its global competitiveness. Its western tail, the Parramatta River, takes it to the heart of the Central City, creating a transport corridor and immutably binding the cities together.



Global trends

Around the world port cities are adapting to integrate uses, collaborate with communities, become more socially responsible and develop greater resilience to environmental and growth challenges. Port authorities are becoming more aware of the need to maintain their social licence to operate in the harbour cities that host them. At the 16th World Conference on Cities and Ports, June 2018, several themes and trends emerged:

- **Port cities are entering a new era in their evolution** – Integration of uses and shared use of spaces rather than segregation of port and urban activities is the way of the future.¹⁷
- **Port authorities are gearing up for the challenges of the future** – They are addressing climate change, exploring smart technologies and supporting new enterprises through programs such as Future Ready in Canada, Cooperative Mechanism Platform in Singapore and 100 Resilient Cities worldwide.
- **Citizen collaboration and education is essential for ongoing co-habitation** – They are actively giving more voice to local interests, doing good works and providing new opportunities for the public to witness maritime activities.
- **The impact of growth in ocean cruising is being felt around the world** – There is increasing awareness of the need to rebalance the social and environmental impacts of cruise ships including by partnering with local communities and reinventing cruise terminals as multifunctional centres for cultural, educational and social activities.¹⁸

While there are some useful models for port cities globally, Sydney Harbour is unique, and this is even more reason to ensure we get it right.

¹⁷ Yueyue Zhang and Peter Martin Radboud University Netherlands, *Next generation of the port-city interface: the future lies in the past*, Contribution to the 16th World Conference Cities and Ports, 2018.

¹⁸ Paolo Motta, Istituto Di Studi Politici, Economici E Sociali -Roma *Cruise tourism in heritage port cities*, Contribution to the 16th World Conference Cities and Ports, 2018.

The issues

“Greater Sydney’s most pressing challenge today is to address population growth and demographic change, while improving liveability.”¹⁹

Greater Sydney Commission, 2018

Sydney Harbour as a space must be many things to different people. It is a core environmental asset, a tourist attractor, a working harbour, a transit route and a place for the public to live, congregate and enjoy – all at once. The Committee for Sydney firmly believes all of these uses are important – simply shuttering the working harbour to protect public access is a bad outcome. Likewise, intensifying uses of the harbour at the expense of the delicate environment is not a useful option. No other place in Sydney, or indeed anywhere else in Australia, faces this level of competing interests.

In the last decade, 700,000 extra people called Sydney home bringing the population to 5.1 million. By 2056 the population is projected to reach 8 million people.²⁰ A third of Sydney’s population live in Local Government Areas around Sydney Harbour with numbers expected to grow over the next 20 years by about one third or 500,000 people.

The constancy of change is certain, but the capacity for Sydney Harbour as a finite resource to absorb change is ever diminishing.

Public access

Sydney Harbour is our biggest and best public open space, yet not all of it is freely and easily accessible. The people of NSW are the owners of Sydney Harbour consisting of over 52,000 hectares comprising the bed of the harbour and more than half of the harbour foreshore. The Sydney Harbour Federation Trust, established by the Australian Government, has seen former defence lands restored for public use.

Sydneysiders love their harbour. Therefore, potential change attracts a high level of public scrutiny. This is a double-edged sword that can delay government action, which can in turn slow down the expansion of public access.

Key issues include:

- **Latent surplus government land** – There are over 100 hectares of the foreshore land owned by the NSW Government that have the potential to be opened up for greater public access and enjoyment including Callan Park, Strickland House, Gladesville Hospital, Yaralla Estate and Goat Island. Many of these sites contain state significant heritage buildings which are not being maintained to their best, in part because of a lack of funding for their conservation.
- **Fragmented inter-tidal public access** – 32 kilometres of public walkways around the harbour proposed under the *Sharing Sydney Harbour Access Plan*²¹ have not been realised 15 years on because of a failure to follow through on a promise to remove private waterfront structures in the inter-tidal zone (the land between low and high tide) which impede or discourage pedestrians.
- **The untapped potential of the Bays Precinct** – *The Bays Precinct Transformation Plan*²², announced over four years ago, proposes a 5.5 kilometre continuous public foreshore path but is still to take shape. Meanwhile, the enormous community potential of the White Bay Power Station remains untapped after 20 years, with its future success likely to depend on the delivery of mass-transit, public transport connections.

19 Greater Sydney Commission, *Greater Sydney Regional Plan*, 2018.
20 Ibid.

21 Department of Infrastructure, Planning and Natural Resources, *Sharing Sydney Harbour Access Plan*, 2003.

22 NSW Government, *City of Cities: A plan for Sydney’s Future*, December 2005.

- **Unfinished Cultural Ribbon** – For more than a decade there has been talk about creating a 14 kilometre foreshore walk from Woolloomooloo to the Anzac Bridge.²³ Famously coined the Cultural Ribbon by actor Cate Blanchett, Place Management NSW in partnership with the City of Sydney and 10 major government landholders is now facilitating the delivery of Stage 1 of a Harbour Walk project between Woolloomooloo and Pyrmont Bay. While this is a welcome step in the right direction, the vision of a Cultural Ribbon remains as yet unrealised.
- **Travelling on the harbour** – One of the best ways to experience the harbour is to travel across it. Ferries form a crucial part of our public transport system but are often overlooked for innovative ways to expand the public transport network. For example, the NRMA have proposed a fast ferry from Parramatta to Sydney.²⁴ This would increase public access to the harbour for commuters – but this is not currently a priority for government.

Perhaps most concerning of all is that public land along Sydney Harbour is being quietly and incrementally carved up for private exclusive use. Up until relatively recently, the bed of Sydney Harbour was a single lot, with private use and occupation of the waterway administered under short term non-transferable leases. Since 2008, the waters of Sydney Harbour have been progressively subdivided in favour of the adjoining private residential land owners – securing them long-term transferable lease rights and exclusive use of the waterway for private boating purposes.²⁵ This is contrary to the recommendations of Independent Pricing and Regulatory Tribunal of NSW to move to licensing to support shared use of the public waterway by all.²⁶

Lease decisions matter because they lock up public land and can award windfall gains when transferred. One of the reasons that more is not known about the incremental loss of public rights to the harbour is that there is no DA tracking system for water-based development including private boating facilities and subdivision.

Environmental sensitivity

Sydney Harbour is set apart from its competitors due to its natural beauty and ecological diversity, with over 3,000 different species living in it. This is an incredibly rich ecosystem, including 600 different species of fish – more than the number of different species in the entirety of the Mediterranean Sea. Yet, at the same time, the bed of the harbour is one of the most contaminated in the world.²⁷

It suffers the effects of over 100 years of development including industrial activity along the foreshores and urbanisation of the catchment. It continues to be affected by human activity including vessel movements and shoreline development. This impacts the biodiversity and ecosystems of the harbour as well as the ability for people to use and enjoy the harbour.

Key issues include:

- **Heavy metal and toxic chemical contamination** – 92% of the harbour sediments are contaminated to some degree with 46% containing at least one toxic chemical.²⁸ This problem has been well documented for over 15 years.²⁹ In 2006, a ban was placed on commercial fishing. Recreational anglers are advised against eating fish caught west of the Sydney Harbour Bridge. These restrictions are unlikely to be lifted for decades, which is how long it will take for the harbour to naturally heal itself.
- **Inconsistent water quality, nutrients and turbidity** – Over 550 Sydney Water sewer overflows in the Sydney Harbour catchment result in an average of 55 megalitres of sewer overflow to the harbour (2010 to 2013).³⁰ This is not a historic issue – in 2016, 25 further sewer overflows were added to the system.³¹ In 2018, the Office of Environment and Heritage recommended that³² people do not swim in the harbour for three days after rain.

23 Media Release: The Hon. Kristina Keneally MP, Minister for Planning, Community consultation begins on Sydney's newest foreshore park, 4 February 2009.

24 NRMA, Blue Highways, June 2018.

25 Roads and Maritime Services, *Domestic Leasing Arrangements for Sydney Harbour and its Tributaries*, 2008.

26 Independent Pricing and Regulatory Tribunal of New South Wales, *Review into Rentals for Waterfront Tenancies on Crown Land in NSW*, April 2004.

27 Daniel Montoya, *NSW Parliamentary Research Service: Pollution in Sydney Harbour: sewage, toxic chemical and microplastics Briefing Paper No 03/2015*, 2015.

28 Daniel Monoya, *Pollution in Sydney Harbour: sewage, toxic chemicals and microplastics, Briefing Paper No 03/2015*, 2015.

29 G F Birch and S E Taylor, *The Contaminant Status of Sydney Harbour: A handbook for the public and professionals*, 2004.

30 P Freewater, R Kelly, J Stewart, D Taylor, S Garber, D Treloar, C Phocas, *Sydney Harbour Catchment Water Quality Improvement Plan*, 2014.

31 Sarah Gerathy (ABC), *Sewage to be spilled into Sydney Harbour under NSW Government plan a cheap fix, Opposition says*, March 2016.

32 NSW Office of Environment and Heritage, *State of the beaches 2017-18*, 2018.

- **Loss of our precious aquatic species** – 40% of protected sea grass beds, *Posidonia australis*, were lost in the four years following declaration as a protected species in 2010.³³ Analysis suggests they are declining at an average rate of 10% a year, exceeding the global rate of seagrass decline. Sydney Rock Oyster reefs are functionally extinct and saltmarsh, listed as a threatened species in 2004, is fragmented and shrinking.³⁴
- **Fragile natural shorelines and shallows** – Seawalls and other artificial surfaces cover around 50% of the harbour shoreline.³⁵ The remaining rocky shores and sub-tidal reefs are particularly important and support a high diversity of organisms. These are not only vulnerable to development but also to sea level rise which is predicted to rise between 0.28m to 0.98m by 2100. Up to 40% of the sensitive wetland at Homebush Bay is predicted to be lost by 2100 due to raised water levels.³⁶
- **Potential shoreline recession and inundation** – As a tidal estuary, Sydney Harbour faces the same threats from climate change as other coastal areas. At present the responsibility for preparing Coastal Zone Management Plans rests with individual foreshore councils. There has been a call for a single Greater Sydney Coastal Management Plan as a more effective and efficient way of coordinating environmental actions.³⁷
- **The rise of modern pollutants** – Levels of microplastics in water exceed average international levels by up to five times.³⁸ There has been a rise in concern about the generation of noise, odour and vibration from cruise ships. Laws have been introduced which require them to prevent leaching of harmful antifouling paints and to limit emissions of sulphur oxides.³⁹

Much has been done to try and address these issues including tighter planning and environmental controls of development both on the waterway, foreshore and catchment. The Marine Estate Management Authority has identified a number of initiatives to enhance marine biodiversity conservation and help reduce priority threats including around water quality and litter.⁴⁰ Arguably not enough is being done.

Ultimate responsibility for the aquatic environment rests with the public land owner, which until its recent merger with Transport for NSW, was Roads and Maritime Services. However, its policies for allowing private and commercial development do not address the environment, and it has few if any proactive environmental programs.⁴¹ Most of what we know about the harbour derives from academic research, notably the Sydney Institute of Marine Science, and the Marine Estate Management Authority.

This places a heavy burden on the planning system and the Sydney Regional Plan (Sydney Harbour Catchment) 2005. However, the draft State Environmental Planning Policy (SEPP) proposes to split the Plan five ways and make a number of other changes. Together they may threaten the scenic character of the harbour, enable further privatisation of public land and remove statutory safeguards which are relied on in the absence of a council.⁴²

33 Suzanne M. Evans, Kinsley J. Griffins, Rau A. J. Blink, Alistair G. B. Poore, Adriana Verges, *Seagrass on the brink: decline of threatened seagrass Posidonia australis continues following protection*, April 2018.

34 Sydney Institute of Marine Science, *Sydney Harbour: A systematic review of the science 2014*, 2014.

35 Sydney Institute of Marine Science, *Sydney Harbour: A systematic review of the science 2014*, 2014.

36 Dr Eleanor Bruce of the Spatial Science Innovation Unit of the University of Sydney, *Model predicts climate change impacts on harbour*, 2004.

37 BMT WBM Pty Ltd in partnership with Greater Sydney Local Land Services, Office of Environment and Heritage and Council of the City of Sydney, *Greater Sydney harbour Estuary Coastal Management Program Scoping Study – Final Report*, June 2018.

38 Daniel Montoya, *NSW Parliamentary Research Service: Pollution in Sydney Harbour: sewage, toxic chemical and microplastics Briefing Paper No 03/2015*, 2015.

39 Australian Government, Department of Infrastructure, Transport, Cities and Regional Development, www.infrastructure.gov.au.

40 Marine Estate Management Authority, *Marine Estate Management Strategy*, 2018.

41 Roads and Maritime Services, *Permission to Lodge – fact sheet*, March 2018.

42 Ruth Frettingham, *Submission on draft Environment SEPP*, 2018.

Capacity constraints

While it is widely accepted that Sydney Harbour is the international face of Australia, what is not so well understood is the role it plays in keeping the city operating. Port facilities support infrastructure building and cruise ships, charter services support tourism, and ferries provide efficient transport links reducing congestion on roads. The support network for harbour-related activities includes a range of critical services that cannot be located elsewhere.

Demand for these maritime trade, transport and support services is growing, yet foreshore space for the necessary back-of-house facilities is not keeping pace. We are running out of space to store boats on water, and the land base to support the working harbour is ever shrinking. Over 14 million ferry passenger journeys are made on the network annually. A record 352 cruise ships visited Sydney in 2017/18 with over 1.5 million domestic and international passengers.⁴³ It is estimated that there are about 10,000 wet berths on Sydney Harbour with demand for another 1000-1200.⁴⁴

Key issues include:

- **Shrinking of the dry goods port** – Over the last 100 years, the dry goods port has shrunk to less than 1% of the harbour's foreshore as a result of urbanisation and shifting of container trade to Port Botany. However, there is a strategic need to retain a working port in the centre of Sydney for the import of construction materials to support the growth of our city. Sydney is experiencing a construction boom – with over \$70 billion of major infrastructure, urban renewal and transport projects planning for the inner city in coming years. The most cost-effective means to move large volumes of construction material is by sea and there is still more capacity in shipping lanes to alleviate the pressure on road and rail networks. Currently Glebe Island takes 6000 trucks off the road a week.⁴⁵ Fortunately, Glebe Island, the last remaining dry good port, is safe for at least the next 20 years, with the NSW Government agreeing with the findings of an independent review about the critical role that it plays in supporting the construction industry.⁴⁶

- **Growing demand for cruise tourism** – By 2040 the number of passengers cruising through Sydney is expected to double but Sydney's current berths are nearing capacity during the peak season.⁴⁷ This puts NSW's share of the \$4.8 billion national cruise industry market under threat. According to the cruise industry, there has been a decline in NSW's share in economic benefits of national cruise ship growth because of capacity constraints in Sydney Harbour⁴⁸. The *NSW Cruise Development Plan* commits the NSW Government to finding a third cruise terminal to service Sydney.⁴⁹
- **Constraints on growth of the commercial fleet** – The commercial vessel fleet includes large vessels up to 40 metres long used for charter, tourism and ferry services. The fleet has grown significantly over the last ten years as a result of deregulation and expansion of ferry services as well as growing demand for harbour dining cruises from the Asian tourist market. The Sydney Ferry Fleet, now run by Transdev, has been expanded to include six Inner Harbour ferries with a further ten Parramatta River Class ferries on order. The existing home base for the ferries at Balmain is already too small and inappropriate for the operations that it is expected to undertake. However alternative places to berth these large vessels in close proximity to the CBD and with good back-of-house facilities have not kept pace with growth. Industry advises that this is suppressing the growth potential of tourism and charter services. The scarcity of suitable sites and cost of foreshore land necessitates government intervention.

⁴³ Port Authority of NSW, *Annual Report 2017/18*, 2018.

⁴⁴ Transport for NSW, *Sydney Harbour Boat Storage Strategy*, 2013.

⁴⁵ Australian Financial Review, *Sydney Harbour's future as a working port under threat*, July 2016.

⁴⁶ Transport for NSW, *Media Release: Glebe Island Review complete*, August 2018.

⁴⁷ NSW Government, *NSW Cruise Development Plan*, July 2018.

⁴⁸ Cruise Lines International Association Australasia, *Cruise Tourism's contribution to the Australian Economy 2016-17, 2017*.

⁴⁹ NSW Government, *NSW Cruise Development Plan*, July 2018.



- **Squeezing out of maritime support businesses** – The construction and maintenance of harbour infrastructure and the support of tourism and special events requires back-of-house berth space for off-site construction support, wharf maintenance, tug and workboats, emergency response, provisioning, vessel layover and event preparation. These businesses are diminishing in number, yet demand for their services is increasing. They are vulnerable to being squeezed out of prime foreshore sites in favour of higher return uses, particularly residential redevelopment. This problem was recognised more than 20 years ago and the NSW Government set aside land for them at Rozelle Bay in 2003.⁵⁰ Security of tenure and new opportunities to expand remain a challenge, particularly in the face of plans to diversify uses at Rozelle Bay.⁵¹
- **Polarisation of views around recreational boat storage** – At both ends of the size spectrum, we are at or near capacity for on-water storage of recreational vessels. The boating industry is often critical of swing moorings but they are the most affordable boat storage for small boat owners. Dry boat storage is often suggested as an alternative but costs 10 times more⁵². Proposals for new and expanded commercial marinas for recreational vessels are met with strong resistance from local communities.
- **Sydney ferry operations are being squeezed** – Sydney Ferries' base in Balmain is also being challenged by demand for new residential redevelopment. While residential development is welcome, the reality remains that the existing base is already too small and inappropriate for the operations that it is expected to undertake. There is no other site in Sydney where the current ferry fleet could be relocated to; much less the expanded fleet required over the next 20-50 years.

50 J Rolls and P Williams, *Report on Marine Based Industries' Demand for Foreshore Land on Sydney Harbour for the Office of Marine Administration*, 1997. Waterways Authority, *Master Plan: Rozelle and Blackwattle Bays Maritime Precincts*, 2002 (approved under Sydney Regional Environmental plan 26 – City West).

51 UrbanGrowth NSW, *The Bays Precinct Sydney: Transformation Plan*, October 2015.

52 Transport for NSW, *Sydney Harbour Boat Storage Strategy*, 2013.

Administrative complexity

Dealing with the environmental, public access and capacity challenges facing the harbour is made harder by the existing governance of the harbour. Over 30 different federal and state entities own sites, manage sites, make planning decisions and provide services across Sydney Harbour. Several agencies have similar roles but for different precincts around the Sydney CBD. This applies especially to our foreshore visitor precincts and urban renewal precincts. This administrative complexity has led to:

- **The harbour as an orphan of strategic planning** – There are two Greater Sydney Commission District Plans that apply to the foreshores of Sydney Harbour but the waterway itself lies outside the boundaries of the District Plans. This may be because the harbour doesn't have a local government dedicated to its interests and the people who use it, but arguably this is all the more reason for one.
- **A siloed and sectoral approach** – With responsibility for the harbour split between multiple state government agencies along functional lines, we have lost sight of the big picture. These agencies also have responsibilities beyond the harbour, further diluting a focus on it.
- **Fragmented ownership along the CBD foreshore** – Nowhere is complexity more pronounced than around the CBD foreshore where several different state government agencies own foreshore visitor precincts. This ownership is often historical and sometimes now bears no relationship to the current role of that agency. For example, transport for NSW recently absorbed Roads and Maritime Services and its ownership of Woolloomooloo Wharf, Walsh Bay and King Street Wharf, which are now urban precincts.
- **Many plans but no vision** – There is one principal planning instrument applying to Sydney Harbour and its catchment as well as six plans for state significant precincts and multiple local plans and guidelines. However, the NSW Government's "Sharing Sydney Harbour" vision from 2000, which provided a strong basis for reform for the following ten years,⁵³ has now largely been forgotten. Talk of a new vision for Sydney Harbour in 2014 did not eventuate.⁵⁴
- **Harbour money sunk in administration** – The NSW Waterways Fund accumulates money from boat registrations, wetland leases, mooring and commercial vessel fees and sale of foreshore land across the state. A major contributor to this fund was the sale of Wentworth Point for \$335.2 million.⁵⁵ In the last two years, the Waterways Fund had a combined expenditure of \$290 million, of which over 50% was spent on predominantly administrative and operating costs, as opposed to funding for building and maintaining marine infrastructure or the provision of marine and boating grants.⁵⁶ Although the NSW Waterways Fund has a large remit that serves state-wide functions and not just Sydney Harbour, it remains a concern that such a large component of expenditure is dedicated to administrative and operating costs. This is especially concerning given that expenditure outstripped revenue by 30% in the 2017-18 financial year alone. There is now just \$265.4 million held in the Maritime Waterways Fund.

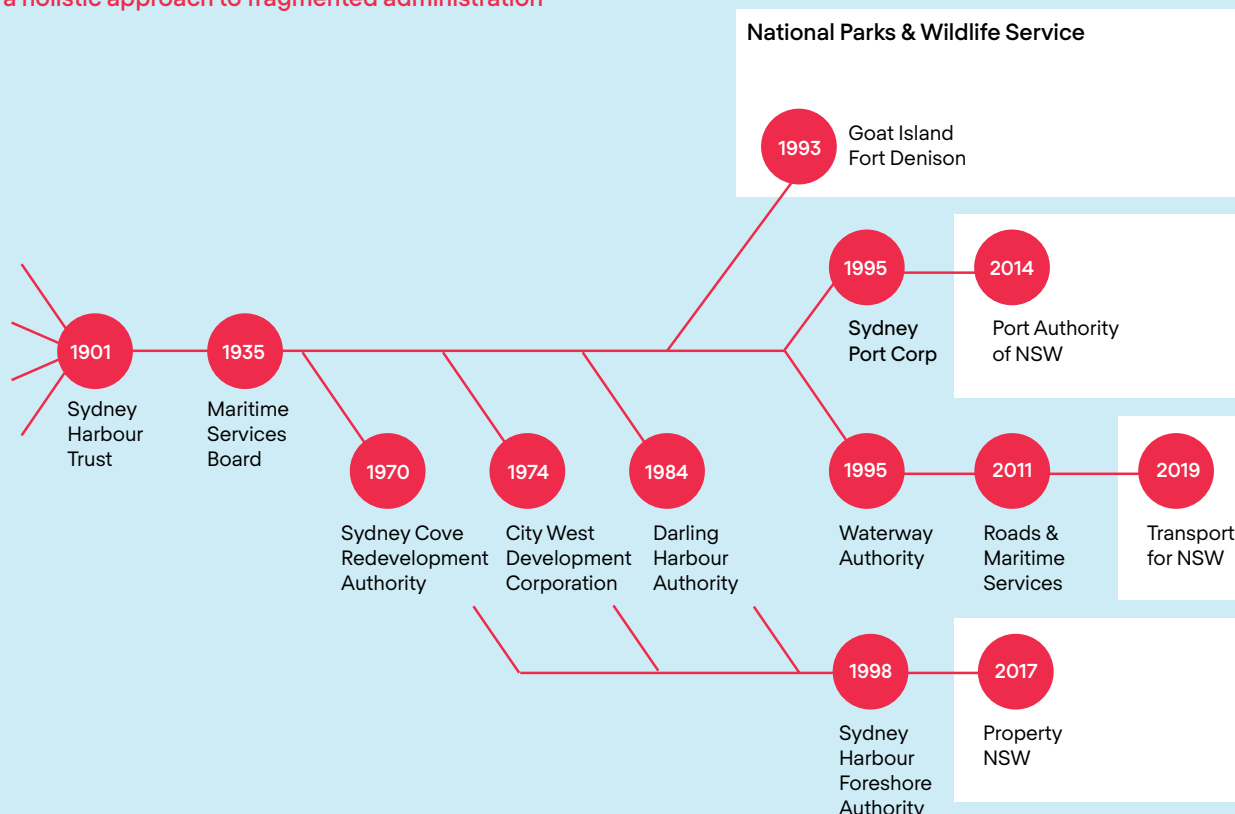
53 Department of Urban Affairs and Planning, *Sharing Sydney Harbour: Regional Action Plan*, 2000.

54 Sydney Morning Herald, *New committee to develop the government's vision for Sydney's harbourfront*, 27 August 2014.

55 Road and Maritime Services, *Annual Report 2016-17 Volume 2*, 2017.

56 Roads and Maritime Services, *Annual Report 2017-2018 Volume 2*, pg 63. This \$168 million in administrative costs is reflected in the "enable" and "journey" expenditure segments in the Waterways Fund breakdown contained within RMS annual reports. Journey management represents the largest portion of Waterways Fund expenditure and is overwhelmingly made up of spending on the operations of the Maritime Division. Within the "enable" section, the single most costly line item is the administration and management costs of the maritime property portfolio.

From a holistic approach to fragmented administration



There are however some green shoots which indicate some improvement to collaboration across the Sydney Harbour. Place Management NSW are leading the Sydney Harbour Collaboration - an outcome aligned with the Committee for Sydney's vision for a better harbour. This collaboration brings together stakeholders on specific projects and precincts to deliver joined-up outcomes. This includes working to deliver the Harbour Walk, a project that seeks to deliver on the ambitions of Cate Blanchett's famously coined Cultural Ribbon. It also includes the provision of security improvements around major tourism sites and coordination during major events. This model of collaboration should be commended and expanded to the whole of Sydney Harbour.

Our forgotten vision

In 2000, a whole-of-government vision for Sydney Harbour was released and formed the basis of a wave of actions and reforms to protect and improve the Harbour in the following years.⁵⁷ For over a decade, the vision has disappeared from NSW Government websites and is no longer used to shape how we manage the harbour.

The vision was: *"Sharing Sydney Harbour – taking wise and comprehensive care of the harbour as a natural asset belonging to future generations means sharing the harbour with nature and sharing the harbour with all human activities"*. It promoted actions based on four themes:

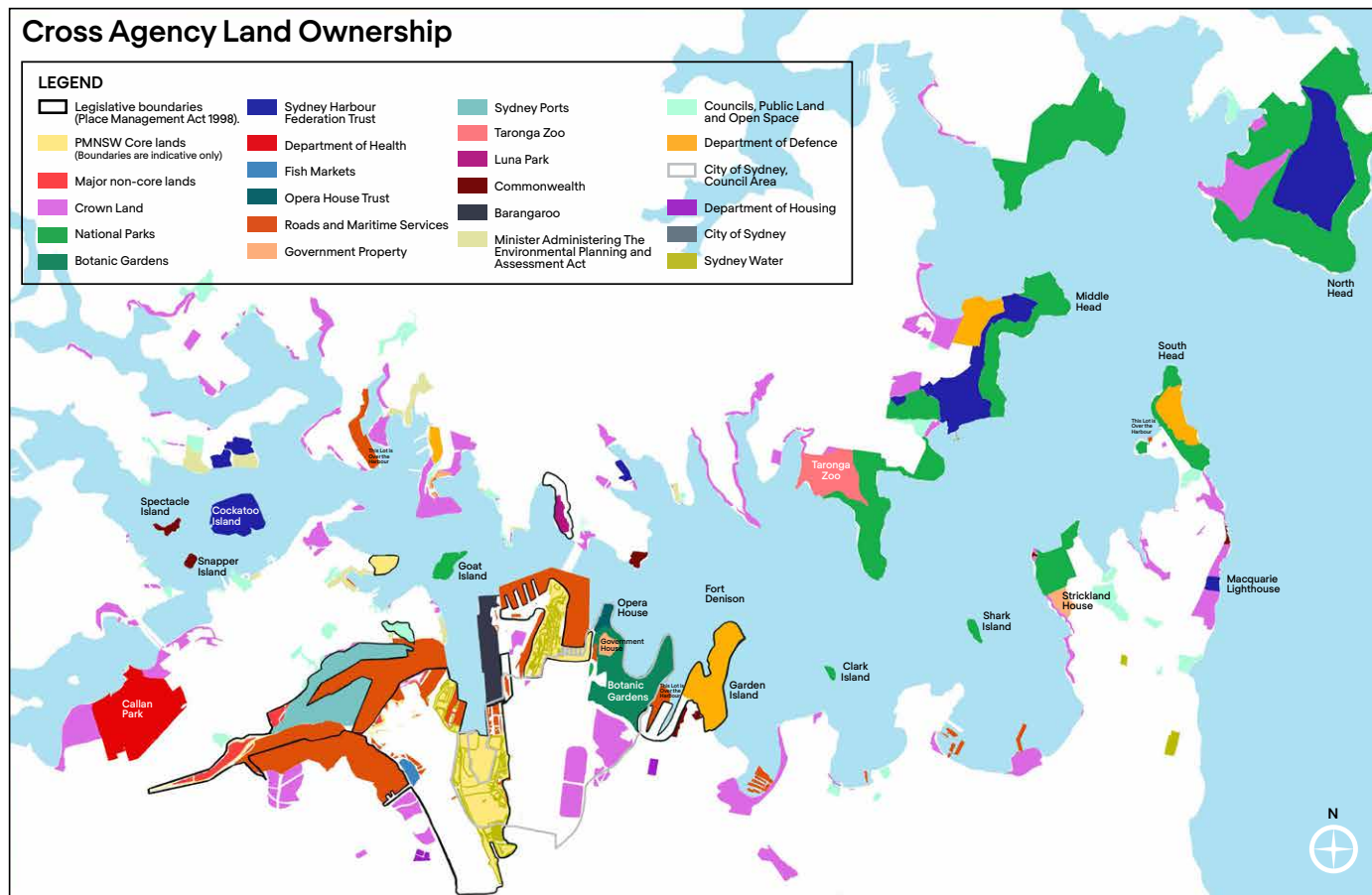
- **Natural Harbour** – a healthy, sustainable environment on land and water.
- **Urban Harbour** – a high quality urban environment.
- **Working Harbour** – a prosperous, working waterfront and an effective transport corridor.
- **People's Harbour** – a culturally rich, accessible place for people.

As interests on and around the harbour have grown and administrative complexity has crept in, this vision has been lost.

The Committee for Sydney would like to drive a renewed focus on the creation of a shared vision and place-based approach for our harbour, improving its ability to cope with increasing growth and competing demands, whilst protecting the harbour as a key asset.

⁵⁷ Department of Urban Affairs and Planning, *Sharing Sydney Harbour: Regional Action Plan*, 2000.

The patchwork of government ownership



Major NSW Government owners

- **Transport for NSW**
 - 50,000,000+ ha including the bed of Sydney Harbour, Woolloomooloo, Walsh Bay, King Street Wharf, Rozelle Bay.
- **Sydney Olympic Park Authority**
 - 640 ha at Sydney Olympic Park.
- **National Parks and Wildlife Service**
 - 392 ha in the Sydney Harbour National Park.
- **NSW Ministry of Health**
 - 78 ha including Callan Park and Gladesville Hospital.
- **Place Management NSW**
 - 60+ ha including Darling Harbour, The Rocks, Ballast Point and Pyrmont Park.

- **Port Authority of NSW**
 - 40 ha including the Overseas Passenger Terminal, Glebe Island and White Bay.
- **Royal Botanic Gardens of Sydney**
 - 30 ha in the Gardens (excluding The Domain).
- **Infrastructure NSW**
 - 29 ha including White Bay Power Station, Sydney Fish Market and Barangaroo.

It wasn't always this way – the history of the harbour is a history of increased fragmentation. From 1901 to 1970, there were dedicated government entities (initially Sydney Harbour Trust) that had only one thing to do – look after Sydney Harbour. Over time, these responsibilities were split amongst many and along sectoral lines. Under such an arrangement, it's easy for Sydney Harbour to be overlooked.

Federal, state and local government entities with a role on Sydney Harbour

Wetland ownership		Transport for NSW (former Roads and Maritime Services)														
Foreshore ownership	Operational precincts			Visitor precincts						Parklands			Other precincts			
	Department of Defence	Port Authority of NSW (Glebe Island, White Bay, Overseas Passenger Terminal)	Transport for NSW (bed of the Harbour)	Planning, Industry and Environment - Place Management NSW (The Rocks, Darling Harbour, Ballast Point, Luna Park Reserve Trust, and parts of the Pyrmont peninsula)	Transport for NSW (King St Wharf, Walsh Bay, Pyrmont foreshore)	Infrastructure NSW (Barangaroo, Fish Market)	Sydney Opera House	Royal Botanic Gardens Trust	Taronga Zoo	Sydney Harbour Federation Trust	National Parks and Wildlife Service	Crown Lands	Infrastructure NSW (White Bay Power Station)	Sydney Olympic Park Trust	NSW Ministry of Health	
Foreshore councils	Canada Bay															
	City of Sydney															
	Hunters Hill															
	Inner West															
	Ku-ring-gai															
	Lane Cove															
	Parramatta															
	Mosman															
	Northern Beaches															
	North Sydney															
	Ryde															
	Willoughby															
	Woollahra															
State agencies with broad responsibilities	Planning and Industry – plan-making and urban renewal															
	Port Authority of NSW – Harbour Master, port safety															
	Transport for NSW (including the former Roads and Maritime Services) – Sydney ferries, public wharf maintenance, maritime safety															
	Destination NSW – tourism, marketing and events															
	Premier and Cabinet – major events management, heritage															
	Infrastructure NSW – major infrastructure projects															
	Energy and Environment – conservation, aboriginal cultural heritage, climate change															
	Marine Estate Management Authority															

The absence of clear accountability for the harbour and a sectoral approach to administration plays out in passive stewardship of the environmental asset, policy complacency and a site-by-site approach. This hinders our ability to respond to complex issues quickly and holistically.



A way forward

At all levels of government, we are witnessing a new era of collaboration and an appetite for place-based planning. This is an approach which is informed by a deep understanding of the place, an appreciation of the people who interact with it and an agreed agenda for its long term success and survival. The Greater Sydney Commission through the *Greater Sydney Regional Plan* strongly advocates a place-based approach to planning in order to improve the liveability of our city by delivering high quality places that engage, activate and connect people and communities. To maintain Sydney's global competitiveness, to manage competing interests, and to improve the environmental health of Sydney Harbour, several things will be required. Change will require a renewed focus on Sydney Harbour's identity as NSW's greatest place and intergenerational asset. It requires strong government leadership to advocate the Harbour's interests and to drive cooperation between key stakeholders. It requires a shift from a dispersed and reactionary approach to one that is intentional and focussed on getting the best outcomes for Sydney Harbour as a whole. Adopting a place-based approach with strong leadership provides the launch pad for a more sustainable future for Sydney Harbour befitting our global city and our lifestyle expectations.

Place-based leadership

In order to deliver the best outcomes for our city, the Committee for Sydney believes that this requires an advocate committed to driving better outcomes, and with the authority to elicit cooperation between key stakeholders. At present, no single government body has clear responsibility for managing diverse interests or for achieving coordinated delivery and streamlined decisions on Sydney Harbour.

Following the success of the Greater Sydney Commission in strategic planning for Sydney, it has been elevated to the centre of government and will report directly to the Premier. In this new role it will continue to provide independent advice to government and coordinate agencies to implement the Greater Sydney Regional Plan and District Plans. At the same time, their plan for Sydney has conspicuously excised the harbour from the city. This should be fixed – and in doing so, the Greater Sydney Commission should be tasked with championing a place-based approach and to drive collaboration in that implementation of a shared vision for the future of the harbour.

A vision and principles for Sydney Harbour

One of the first tasks should be to update the "Sharing Sydney Harbour" vision for the harbour in conjunction with key stakeholders and the community. This vision remains strong but needs to elevate Sydney Harbour to the next level as a world wonder and national treasure belonging to all Australians. It is an outstanding natural asset of deep cultural significance to our country and a superlative place of exceptional natural beauty and aesthetic importance to the world. We must take care of it as a single place, harmonise uses and build resilience so that we leave it in better shape for future generations.

This vision should guide custodianship of the harbour over coming decades, and should be based on sound principles:

- **Longevity of liveability** – Sydney Harbour is an inter-generational asset that has enhanced the liveability of our city now and must continue to do so into the future. It underpins the Sydney brand and our global competitiveness because it is integral to our identity as a country, people and city.
- **Environmental custodianship** – Sydney Harbour is first and foremost an incredible natural asset that requires wise and comprehensive care as a single ecosystem. Without a healthy harbour, all other opportunities the harbour offers are not possible.
- **Public interest** – Sydney Harbour belongs to the people and must remain in public ownership. It is Sydney's most important open space, and people should have an unassailable right to access, use and enjoy the harbour. Decisions made on behalf of the people who own the harbour must be open, transparent and consistent.

"A world-class place will need world-class leadership and curation"

The Hornery Institute 2014⁵⁸

58 The Hornery Institute, *Shore Futures – exploring the critical success factors for waterfront regeneration in Sydney*, 2014



Beyond these three fundamental principles, we must remember the contemporary needs that Sydney Harbour must fulfil:

- **A drawcard for tourism and talent** – People flock to Sydney to visit our harbour or to live in one of the best cities in the world, contributing to the prosperity of our city and our social capital. Locals come for major events and millions of international visitors come to admire what we see every day. Sydney Harbour helps retain and attract globally mobile talent.
- **An efficient thoroughfare** – Our harbour is, from its earliest days, a place of trade and travel. It remains the home to naval defence of the east coast of Australia, a dry goods port and cruise ship destination. Catching the ferry across the harbour is one of life's great joys and is an essential component of the public transport system of the city.
- **The lifeblood of maritime businesses** – Low in many people's mind is the vital role that the maritime and working component of Sydney Harbour plays in enabling Sydney's broader economic and social activity. Whether it is boat repair, charter vessels or construction barges, there are no other options for many of these vital services. These features need to be protected to enable Sydney to continue to deliver a vibrant social infrastructure, major events, and to protect land that is critically located for the importation of materials that will enable the growth of the city over coming years.

While the harbour has always been a favourite place for recreational boating and will continue to be so, we now need to question accommodating as many privately-owned boats as possible on the water. Our harbour is at or near capacity and host communities everywhere are protesting new marinas. As Sydney grows and we seek to re-calibrate around the above principles, we must also rethink our attitudes to boat storage and storage of working vessels on Sydney Harbour.

Often these principles are placed in conflict with each other – an environmentally healthy harbour must compete with maritime businesses. In too many instances, we have let a single principle dictate decisions without a nuanced consideration of the needs of the whole harbour. This need not be the case, and when considering the overarching objective of longevity of the harbour, often these principles can work in partnership and collaboration – rather than competition.

The proposed vision and its associated principles should not simply be treated as a "nice to have" document that is then placed on the shelf. Instead, they should be used to guide management and care arrangements for the harbour on a daily basis. Decisions should be run against framework – can we achieve a better outcome in the long-term by investment in better public access? How does this decision impact on the ability for the working harbour to continue to supply and support the city?



Consolidated ownership versus assurance

To ensure these principles are central to day-to-day decisions, we need to give an entity the authority and clarity of purpose to lead management of the harbour. We know that the current model of dispersed, siloed ownership and management without overall coordination results in poor outcomes. To solve for this, this report considers two options for a better way to manage Sydney Harbour.

Option 1: *The simpler, but more dramatic option involves transferring the ownership and/or management of the entirety of the harbour to a single, central entity. This brings a clarity to who is responsible for the harbour and a confidence that the different principles of what makes a good harbour are being weighed up against each other. However, few entities currently hold the breadth of expertise required to manage all aspects of Sydney Harbour from ferry fleet management to bio-diversity. Beyond this, it may also be politically and practically difficult to amalgamate so many landholdings and to tease out harbour functions from large sectoral departments. Unravelling the administrative tangle we have created over the last 50 years might just be too hard and take too long.*

Option 2: *The less neat, but likely more realistic, option is an assurance model. Currently the Greater Sydney Commission plays an assurance role in ensuring Local Environmental Plans adhere to their relevant District Plans. A similar model for the diverse harbour asset-managers, land-owners, policy-makers and funders could be established. Following the development of the place-based framework — comprising an updated*

vision and principles — an assurance agency would play the role of ensuring future decisions about the harbour work towards its fulfilment. Where conflict arises between different needs, the assurance entity would play a convening and negotiating role. Where future ownership of parts of the harbour are unclear, they would act as the default manager. Those working in this space should have specialist expertise to ensure adequate understanding of this complex asset base.

The Committee for Sydney advocates for the assurance model. We also believe the Greater Sydney Commission is well placed to develop the set of strategic priorities for the harbour on which this assurance should be based. Given the close working relationship between the Greater Sydney Commission and the Department of Planning, Industry and Environment – and the Department’s new focus on public space – the ongoing assurance role could comfortably fit within either entity.

On a practical level, we envisage that this assurance model would be both reactive and proactive. Where ongoing management of part of the harbour is underway, future plans would be presented for consideration with information on how it will impact on the harbour. The assurer would react to this, approving the plan or requiring changes to ensure it aligns with its established priorities. Proactively, they could be tasked by the NSW Government to coordinate new projects on underutilised or changing harbour space. Making Callan Park a better public space or ensuring the continued development of the working harbour while unlocking disused land for public access and use could be immediate tasks. These are complex problems requiring a central level of coordination and careful negotiation between stakeholders.

“One of the most visually stunning bays in the world, Sydney Harbour is also an amazing place to stroll, take a boat ride or just sit a spell.”

Project for Public Places 2007⁵⁹

Recommendations

Recommendation: The Greater Sydney Commission to update the vision for Sydney Harbour and articulate principles for balancing the uses and needs of the harbour.

Recommendation: Fund and legislate to give either the Greater Sydney Commission or Department of Planning, Industry and Environment an assurance role over Sydney Harbour, its assets, land and policy.

Things we can do right now to make a difference

We don't need to wait until a vision is in place to make a real difference to Sydney Harbour. The Committee for Sydney has identified actions that can be implemented immediately that will benefit public access and the environment, and address capacity constraints and administrative complexity.

Public access

Public access is relevant every time government makes decisions over those parts of Sydney Harbour that it owns. This includes decisions that give permission for development and to exclusively lease wetland. After 10 years, it's time to revisit the terms under which we allow use of Sydney Harbour for private purposes — to make sure we embed sharing and public access. This needs to be accompanied by a greater transparency in water-based planning decisions.

Recommendation: The Department of Premier and Cabinet to conduct an independent review of the merit of long term exclusive domestic waterfront leases over Sydney Harbour.

Recommendation: Transport for NSW to establish an on-line DA tracking system for all water-based development applications for Sydney Harbour.

Environment

Maintaining and improving the environmental health of Sydney Harbour underpins its ongoing ability to absorb stresses and retain its resilience. To inform this shift in thinking we need to establish baseline information about its

current condition, leveraging the wealth of independent and academic research.

Recommendation: The Department of Planning, Industry and Environment to undertake a comprehensive environmental audit of the harbour to establish a benchmark for ongoing monitoring and action, in partnership with scientific experts and the Marine Estate Management Authority.

Capacity

To ensure an ongoing future for the working harbour, we need to proactively support maritime businesses and work harder to integrate our port and city. A large part of this challenge is building community understanding and acceptance of the importance of these functions. City ports around the world are creating Port Centres to help their communities discover, experience and appreciate contemporary port activities. The annual Open Sydney event provides another opportunity for the public to see behind-the-scenes of the working harbour.

Recommendation: The Port Authority of NSW establish a Port Centre including a permanent exhibition and program of activities to explain how the port works.

Recommendation: Transport for NSW and the Port Authority of NSW coordinate public tours of maritime sites and buildings on its land during the annual Open Sydney event.

Administration

The aim of reducing administrative complexity is to give Sydney Harbour the attention it deserves and to improve accountability. In the absence of a wholesale restructure of the NSW Government, one way to improve the focus on Sydney Harbour is to establish a dedicated fund. Fortunately the harbour generates significant and ongoing funding streams from leases, sale of public land and boat licenses — which could be reinvested. Much of this is in the NSW Waterways Fund and although the fund covers the state as a whole, the income earned from the harbour could be diverted to a specific harbour fund.

Recommendation: A dedicated reinvestment fund be established from existing sources and administered for the betterment of Sydney Harbour.

⁵⁹ Project for Public Spaces 2007, Great Waterfronts of the World, <https://www.pps.org/article/greatwaterfronts>.

Conclusion

We are now at a critical point in time as Sydney Harbour faces increasing pressures from:

- Rapid population growth of Sydney
- A boom in tourism
- Competition for scarce space
- Increased value of foreshore land
- Environmental issues
- Global competitiveness

However, this is also a fantastic time to act for the future, to future-proof this iconic asset and ensure that it is at its best for generations to come.

This report has brought together decades of experience and working knowledge of our harbour and its magnificent foreshores. It has garnered cross-sectoral collaboration to drive key recommendations aimed at improving outcomes for Sydney Harbour, Greater Sydney, NSW and Australia.

This piece of work has proposed that a new way forward is required, where collaboration replaces competition, custodianship replaces complacency, and trust replaces controversy. These ambitions are achievable under strong leadership, streamlined arrangements, a place-based approach, collaboration and investment in making it happen for our city and its citizens.

Contributors

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- NRMA
- NSW Office of Environment & Heritage
- Place Design Group
- Place Management NSW
- Port Authority of NSW
- PwC
- Sydney Coastal Councils Group
- Sydney Fish Market
- Sydney Harbour Federation Trust
- Urbis








**Committee
for
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