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Project Manager
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REDWatch submission on the Australian Technology Park EOI

REDWatch wishes to submit some comments concerning the Expression of Interest for the sale of the Australian Technology Park Eveleigh.

At the time of the announcement of the EOI, REDWatch approached the City of Sydney Council to undertake an independent assessment of the implications for the sale. The city appointed HillPDA Consulting to undertake the work that resulted in the report *Australian Technology Park (ATP) Eveleigh Stage 1 Call for Expression of Interest: An independent review of the opportunities and risks related to the Sale of the ATP*.

REDWatch welcomes this work by HillPDA and the Council's Mayoral Minute which raises key risks and opportunities about the proposed privatisation and the processes required to ensure that the public benefit requirement is met. REDWatch shares the concerns raised in the HillPDA report and asks UrbanGrowth NSW and Government to seriously consider all the issues and actions proposed in the HillPDA report and Mayoral Minute.

REDWatch is especially concerned about the process by which the public interest risks will be assessed during the EOI evaluation as distinct from the risks to UrbanGrowth NSW. There is a tendency for state development authorities, and the governments that direct them, to assume that their interest is the same as public interest, and the public interest is that which they define. REDWatch welcomes and supports proposals in the HillPDA report for a wide range of parties, including the community and heritage interests similar to the Redfern Waterloo Heritage Taskforce, to be represented as part of the process for determining the public interest.

While it is not covered in the Hill PDA report, REDWatch has two concerns regarding the subdivision which we understand remains unregistered. Firstly we are concerned that the subdivision seems to remove the public walkway around the Vice Chancellors Oval. It is unclear to us how, for example, the Land Zoning map and the subdivision will interact around this space and the park to the south of the National Innovation Centre, which was previously the gardener's compound.

REDWatch notes that the approved subdivision was approved in the lead up to the 2013 ROI for the sale of three development sites within the ATP. It is not clear if the implications for a full sale of the site were taken into account at the time of its preparation.

REDWatch understands from the Council briefing that the subdivision has not been registered and that if it remains unregistered the approved subdivision would not come into effect. If the subdivision remains unregistered at the time of sale, and the purchasing party elects not to register the subdivision, then the approval would have no effect and all of the site could end up in private ownership with the loss of access to all public domain. Clearly this risk needs to be addressed.

In the case of the park to the south of the Innovations Centre the subdivision protection of a proposed right of footpath would have no effect over the Business Zone mixed use zoning. Without the subdivision the park could be replaced by a new Business Zone consistent development.

REDWatch hence supports council's proposal that if the sale is to proceed, all open space and public domain should remain in government ownership or be dedicated to City of Sydney Council. This should happen irrespective of any sale.

For REDWatch there are major differences between the original ROI for three development sites and the proposed EOI for the sale of the entire Australian Technology Park and all its assets. The ROI did not directly threaten the role that the ATP currently plays as it would be an addition to what is there currently. The issues on the ROI would be if the uses fitted with the broader aims for the park as it exists now.

To sell the Technology Park in its entirety is to either try to ensure the buyer meets the current government ATP constitution objectives in the privatisation (i.e. they have to take on all the objects and ensure they are undertaken when privatised) or the government sale produces a very different entity and the Government walks away from the roles it has tried to play with the ATP.

It is not simply a case of selling the property but a case of working out what roles will be jettisoned and what roles can be transferred, and how the roles that transfer are guaranteed to be performed under a new private entity. This then is about the nature of a privatised ATP and what can be done to ensure that transferred objectives and obligations can be guaranteed.

The handling of heritage is a case in point. As a government entity there is the expectation that the heritage machinery will be preserved, publicly accessible and that there will be suitable interpretation, educational and cultural activities conducted around the important physical and state heritage of the site. On a purely sale basis the machinery collection for example could be transferred and then locked up in the smallest space and would be preserved but not accessible nor the focus for the activities mentioned above.

It has been suggested that the CMP provides protection for the equipment and at a physical level it may, but this is as only as good as the intention behind the next CMP and the one after that. It is widely warned by heritage professionals that CMPs are usually revised by property owners to facilitate avoidance of heritage constraints rather than to increase heritage protection.

The sale of the ATP potentially changes the value proposition. As the value of the underlying land increases, the perceived value of the heritage and its obligations need also to increase otherwise space that might have been used say for heritage interpretation is turned over to commercial return. Historically this has been the tension in Bays 1 & 2 South between the heritage operation of blacksmithing works and the ATP's desire in 2008 to get a commercial return on a site from all tenants including the heritage site. It has also been a tension because the ATP has responsibility for such a large collection of equipment which it needs to preserve and interpret. In the past equipment has been allowed to sit outside and be destroyed by neglect because there was not enough room to keep it under cover and interpret it.

Thankfully this has changed since 2008 but these issues are bound to re-immerge as private owners try to maximise their return from the site, rather than deliver the wider community benefits currently encapsulated in the ATP and its constitutional objects. Under government control where there is a social obligation, the community can campaign (as we did in 2008) to ensure these community obligations are honoured. This becomes much more difficult to do with a private body whose shareholders do not necessarily have a recognised role in broader civic concerns. The move from heritage as liability to heritage as an asset could easily be reversed as the value propositions change without robust controls to preserve the heritage obligations.

For this reason REDWatch cannot support the sale of the Locomotive Workshop Building and the National Innovation Centre and the machinery collections being privatised. For a part of the site such a sale would be like government saying we will sell the Powerhouse museum for commercial use but expect whoever buys it to look after the collections, interpret and display them without there being any detrimental community impact.

REDWatch hence supports the Council report recommendation that Heritage Buildings and assets should be excluded from any potential sale and retained in government ownership with public access.

REDWatch is also concerned about the potential for further diminution of the science and technological innovation focus for the ATP. Part of the vision of the ATP was to move from the old manufacturing base represented by the railway site to a cutting edge technology park. While the

potential sale or lease of the site to a large corporate like Google might retain the technology focus, there also needs to be opportunities for start-ups and agglomeration (synergy in the ATP objects) that is crucial in science and technology development. While government might not see itself as having a role in a normal business park there is definitely a role for government in the research and technology incubation area, and REDWatch is concerned that this aspect will be lost if the government vacates the ATP.

REDWatch was concerned that the proposed sale of the three development sites could move the ATP further towards a conventional business park and hasten the government quitting its existing ATP roles and responsibilities. This trend started with the Media City development. The sale of sites to mainstream business potentially erodes the innovation focus of the ATP.

Having said that, REDWatch recognises that there are costs associated with maintaining heritage and undertaking incubation activities and that there needs to be a mix of income streams to ensure an organisation with such obligations will have income streams that cover the cost of the community benefits also delivered.

In any proposed sale UG and government need to be clear about what is being transferred and under what conditions, and what is being jettisoned from a privatised the ATP. That question needs to be asked of each of the ATP objects below:

- (a) establish, maintain and operate a facility of an international standard, for the operation of businesses and organisations in various fields including without limitation science and technology;
- (b) protect items of heritage significance in the facility;
- (c) acknowledge the original focus on sciences and technologies, and encourage a range of activities that create jobs and support economic growth and innovation within the facility;
- (d) conduct activities of an educational or cultural nature in accordance with the Objects;
- (e) manage any facility established and trading and income generating activities carried on within the facility;
- (f) raise funds for the purposes of the Company and conduct business on its own account;
- (g) co-operate with individuals or organisations whether governmental (Commonwealth, State and Local), institutional, corporate or professional;
- (h) contribute to the long-term economic and social sustainability interests of the Redfern-Waterloo and wider community in accord with the strategic priorities of Sydney, New South Wales and Australia.
- (i) Promote high quality environmentally sustainable urban renewal and design outcomes in the facility;
- (j) Facilitate technology transfer between research institutions and industry;
- (k) Encourage synergy among researchers, designers, entrepreneurs and manufacturers.

REDWatch is especially concerned about the decision to put the EOI out to the market before the C2E planning is undertaken. The ATP was one of the key sites in that corridor and REDWatch strongly believes that the sale pre-empts the broader discussion about the corridor and where the open space and social infrastructure to support the higher densities can be located.

This appears to us to be a basic conflict between the community benefit that would arise from having the entire site properly planned, and the short term benefit to UG and the Government from selling a part of the C2E area off to generate income for UG to undertake and provide some early initiatives in the C2E corridor - in so doing cutting of other options. From our perspective this is a "cutting off your nose to spite your face" response.

Central to working with communities, especially post the Planning White Paper, is the need to deal with the lack of confidence people have in the planning system. To say that C2E is going to plan the corridor with the community and then, just before the first wider public discussion on the corridor, for the government to announce the sell off the ATP is to fuel cynicism and undermine trust.

Is UG seriously planning to lock in the existing ATP controls on the sale while it is revisiting them in surrounding sites? How will UG ensure these controls are not changed, especially when the new owners could argue that they do not have the kind of densities allowed under the eventual C2E proposals say near Redfern Station or on other parts of C2E. Council's concerns about building in

consistency with existing planning controls and the site's established vision become crucial if this is what is proposed. Some people have argued that this is the best outcome because it locks in the existing controls.

REDWatch is however concerned that UG wants to have its cake and eat it too. Starting with the EOI on the existing controls, but then extracting a price based on what might be possible under C2E leading into the final sale. Such an approach is likely to further undermine UG's credibility in its strategic planning.

While there needs to be commercial considerations in strategic planning they should not be driven, or seen to be driven by, what the body responsible for the planning might make from the sale of a component of what is being planned. In REDWatch's view it is crucial for strategic planning to be done for the C2E site as a whole. Otherwise it repeats what happened when the government, through the RWA, sold off Redfern School without looking at what educational infrastructure would be needed to cater for the increased population that would be generated by the urban renewal they were charged with.

We understand that the high-rise through the Locomotive Workshops in the C2E fly through shown to the Property Council was included to encompass the possibility of some of the ATP being used for a new school. This possibility and the location of other social infrastructure to service the expanding community of the area should be included in the strategic planning for the C2E corridor. To take the ATP site to market before the work is done about what is needed and where it might go is to close off options that should not be closed off early in the planning process.

REDWatch is strongly of the view that if the government wants to sell the ATP site that it must wait for the strategic planning associated with C2E to run its course and only after uses and controls have been exhibited and approved should the site or parts of it be taken to market. This would ensure that the land uses required are preserved prior to any sale of surplus lands and also ensure that access desire lines and retail opportunities associated with say a new rail crossing are fully apparent to the community and the purchaser.

If UG proposes to introduce changes connected to the C2E strategic planning process into the ATP sale, then the sale process must not start until the uses and controls have been exhibited and approved. In addition planning for the future of the ATP site must be on the table during strategic planning and all options explored for its use as if it was not subject to a sale process. As part of any sale process it is important that any uplift in planning controls or financial opportunities through connectivity be captured in the sale process. It would be the worst possible outcome for UG and the community if the ATP was to be sold on the basis of the current controls and yet the buyer managed to get significant uplift and value without that being captured in the sale.

REDWatch has concerns about what the sales proceeds might be spent on. We have long held the view that an upgrade of Redfern Station, as for other key city stations, is a state responsibility to fund, and that the local community should not be disadvantaged by having government assets in the area sold to fund what should be being funded by the wider state.

One of the main issues in the area is that there is no connectivity between the ATP and North Eveleigh – when the railyards operated there were three ways across the rail lines. The proposal for a link to be near Redfern station only cuts a couple of hundred metres off the existing trip via Redfern station. The option of having a pedestrian bridge near the middle of the Erskineville / Macdonaldtown to Redfern stretch makes much greater sense in terms of connectivity.

REDWatch understands that this option is not preferred because of the span and potential cost, however in terms of long term community outcomes it would connect ATP and Alexandria to Darlington and Sydney University providing a considerable increase in connectivity. Any ATP sale funds should be directed to options such as this local connection rather than going to state level infrastructure.

This is not to say that the ATP should not contribute towards any increase in connectivity to Redfern Station that may result in increased value for the site or retail opportunities related to that connectivity.

In conclusion, should the NSW Government decide to sell the ATP, REDWatch would be looking for the Government to impose conditions or covenants on the sale that would ensure as far as possible that the undertakings by the buyer and the conditions of the sale by state could be enforced in the long term - including upon resale of the site.

REDWatch is not convinced, given the nature of the ATP objects and the nature of the site, that it is possible to have the community benefits possible under government ownership transferred with the sale of the property to a private buyer. For this reason REDWatch takes the view that the site should remain in Government hands at least until strategic planning for C2E is finalised and this can be reassessed.

Subsequent privatisation should only be considered for the such parts of the site that would not impact adversely on the continuation by government of the ATP objectives or the appropriate government custodianship and interpretation of the sites heritage assets.

We trust UG and the NSW Government will take these concerns into account in assessing the EOI and how to subsequently proceed.

We urge UG to listen carefully to the community voices and to recognise that the Government / UG interest and the community interest may not align around the proposed sale. It is important if UG wishes to work with communities, rather than fan opposition, that it and the government proceed very carefully is assessing the opportunities and the risks of the proposed sale of the ATP.

REDWatch is prepared to be involved as a community voice in the assessment process and to work with UG more broadly to ensure community voices are heard in decisions about the C2E corridor.

Yours Faithfully

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REDWatch is a residents and friends group covering Redfern Eveleigh Darlington and Waterloo (the same area covered historically by the Redfern Waterloo Authority). REDWatch monitors government activities in the area and seeks to ensure community involvement in all decisions made about the area. More details can be found at www.redwatch.org.au.