

INQUIRY INTO IMPACT OF THE CBD AND SOUTH EAST LIGHT RAIL PROJECT

Organisation: City of Sydney

Date Received: 13 July 2018



THE LORD MAYOR OF SYDNEY
CLOVER MOORE

13 July 2018

Rev the Hon Fred Nile MLC
Committee Chair
Public Accountability Committee
By email public.accountability@parliament.nsw.gov.au

Dear Rev Nile

**Public Accountability Committee Inquiry into the
impact of the CBD and South East Light Rail Project**

I write in response to the request for submissions to the Inquiry into the Impact of the CBD and South East Light Rail Project.

The City advocated for light rail and the pedestrianisation of George Street for many years. An extra 1.6 million people are expected to live and work in Sydney over the next 20 years. As a result, daily trips to the city are expected to increase by almost 25 per cent by 2031, and trips taken within the city centre each day will increase by a third. Light rail provides any effective transportation mode to meet Sydney's growth and minimise the physical and economic impacts to our city from congestion.

The City of Sydney has provided the State Government with \$220 million to deliver high quality public domain as part of the CBD and South East Light Rail project. In consultation with business and residents, we developed designs to transform George Street into a world-class transport plaza, lined with trees, street furniture and public art.

The decision to run the light rail along Devonshire Street was not the City's preferred route. After the Government's decision, we worked with the Minister and Transport for NSW to improve the design of the public domain for residents and businesses of Surry Hills.

The City strongly ***advocated for a superior outcome for George Street and Devonshire Street***, and continue to work with Transport for NSW and the ALTRAC consortium to ensure the successful completion of the light rail project.

However, we have consistently raised with the NSW Government a number of significant concerns about the management and coordination of the project and how the prolonged construction program has impacted on residents and businesses.

We recommend improving the communication and engagement to provide a better understanding of the program and enable issues to be reported and efficiently resolved. We also recommend greater transparency around compensation programs available for residents and businesses. We look forward any lessons that can be applied to improve the delivery of future NSW Government projects.

Yours sincerely

Clover ~~Moore~~
Lord Mayor of Sydney

Encl.

Sydney Town Hall 483 George Street Sydney NSW 2000

13 July 2018

Our Ref: OLM2018/003688

**Public Accountability Committee Inquiry
into the impact of the CBD and South East Light Rail Project
Submission from the City of Sydney**

Terms of Reference

- a) *adequacy of the government's response to the financial impact and diminution in social amenity caused by the project on residents and businesses including access to financial compensation and business support services*
- b) *appropriateness and adequacy of the financial compensation process established by the assessment process and consistency of outcomes*
- c) *effectiveness of the government's communication with residents and businesses concerning project delays and financial compensation*
- d) *any other related matters*

RESPONSE TO ISSUES

Communication and Engagement

While there are a range of communication and engagement measures in place to support the light rail project, some residents and businesses have reported significant concern and frustration about the state government and its contractors' failure to engage and communicate effectively throughout the project. Particular concerns have been ***extended delays*** and ***not being able to get an accurate timeline for completion***.

One resident, in correspondence to the Lord Mayor noted that:

"There is no clear time timetable for how long residents have to endure the noise, dust and disruption. This does not allow them to make plans. The inchmeal progress that this project is achieving would indicate to me that it will be years before it will be completed. But how long? Any questions in this regard are met with obtuse responses. I can understand that it is difficult to be exact with construction projects but they would have today, in their plans a designated timeframe for what activities will be undertaken on this site and for how long. This should be shared with residents".

The Lord Mayor hosted a forum on 1 December 2017 at Town Hall for Surry Hills residents and businesses to speak directly with the Coordinator General, CBD Coordination Office about their experiences and to raise issues.

In response to a question about what can be done, one resident stated that:

“There needs to be open resident forums highlighting the exact times for construction, gathering problems from residents/ businesses and acknowledging this is hugely disruptive. The last thing we need is a chirpy statement from Transport for NSW about how exciting this is. It’s not. Making this sound like a great adventure just winds us up even more. This is a highly disruptive and damaging project. Someone needs to take the heat and acknowledge this. Only then will you get proper cooperation and support from the community you have pushed to the side”.

Transport for NSW set up and chairs a **Business Reference Group and Community Reference Group** to provide a forum for businesses and residents to get project updates, ask questions and raise issues. The City of Sydney is represented on these groups and staff attend the meetings.

It is clear from the recent meeting minutes (available on the Sydney Light Rail website) that government agency representatives go to the Community Reference Group meetings, but few community representatives attend.

The Lord Mayor and City staff have met with residents and businesses from Surry Hills and Central Sydney during construction to discuss the issues and ways the City can assist with minimising the impacts.

Where possible, we recommend residents and businesses are provided forecasts about the activities and construction program, including the anticipated time frame for project completion.

We have recently advised project staff that the Project Information Line and the 24-Hour Construction Response Line are not listed on the Contact Us page of the Sydney Light Rail website. There is a lack of clarity for stakeholders on which number to contact.

On large scale infrastructure projects such as this, it is critical that residents and businesses can easily and directly contact the right people that can assist in resolving the issue as quickly as possible.

Financial impacts on residents and businesses

The City has worked with Transport for NSW and the CBD Coordination Office to provide a variety of **business support services**.

The City has also offered a **temporary waiver of outdoor dining fees** for venues on the light rail alignment, to encourage activation of the construction areas and to support local businesses.

Within the main retail precinct of George Street, the City worked with Transport for NSW to deliver the **Light Rail Activations program**, especially through the Christmas period in 2016 and 2017 in the central retail areas of George Street (Zones 5 and 6). Transport for NSW has done considerable work to activate areas along the alignment with seating, visual floral and photo displays and entertainment, to encourage more people to access the area.

However, the City has heard from businesses that they believe *“Transport for NSW [needs] to provide real assistance to businesses so they don’t close down”*. Businesses tell us that prolonged light rail construction has had financial impacts on the short-term viability of their business. This has been particularly acute in Devonshire Street, Surry Hills.

Prior to the introduction of the state government’s **Small Business Assistance Program**, compensation was a key issue for many small businesses experiencing financial hardship as a result of the construction outside their premises.

However, in late 2017 and early 2018 both the Community Reference Group and Business Reference Group meetings have raised concerns about a **lack of information and transparency** about compensation. For example, Acciona offers an alternative accommodation respite program for residents impacted by noisy night works, with a secondary program offered by Transport for NSW. However, there is no information on the website about this respite program or any other compensation for residents.

The City of Sydney does not have information on the parameters, assessment and outcomes of the compensation program for residents and businesses. **We recommend greater transparency around the availability and process for compensation available to residents and businesses.**

Amenity impacts on residents and businesses

The City of Sydney recognises that the construction associated with the delivery of major infrastructure (e.g. noise, vibration, dust, truck movements and night works) has impacts for residents and businesses. In our experience, adequate notification and effective community relations can assist in preparing people who will be directly impacted, and assisting to mitigate and resolve issues as they arise.

Some residents and businesses have told us that community relations during construction could be improved by better processes to report and quickly resolve issues related to construction, including prolonged or unexpected construction noise, vibration impacts, interruptions to utilities and services, parking availability, accessibility for elderly people and people with limited mobility as well as deliveries to business.

Residents, businesses and City staff have raised numerous concerns with Transport for NSW about **safety outside the construction compounds** in George Street, including uneven footpaths, missing pavers and missing utility lids which cause trip and fall hazards for footpath users. City staff have identified and documented these concerns with project staff and requested faster turn-around times for these hazards to be fixed in order to provide a safe environment for all residents, workers and visitors in Sydney.

Clarity of project parameters

Delivering major infrastructure projects is complex. The City acknowledges that changes to the project and unforeseen issues can result in time delays and that managing community expectations can be challenging when this occurs. Given these common project management challenges, it is critical to set clear parameters at the outset of the project, before the procurement and contacting processes begins.

The City believes that if the CBD and South East Light Rail project had been ***adequately scoped and a comprehensive reference design included*** in the Public Private Partnership tender, the design process for the contractor would have been more efficient and timely, leading onto a more effective construction process.

Early works were inadequate to identify utilities located at the project site prior to the Public Private Partnership contract being finalised.

It is mandatory for proponents of construction projects to obtain information about the infrastructure networks located at the planned project site by making an enquiry through the 'Dial Before You Dig' service (and also making any other relevant inquiries).

The City notes the lack of accurate information, as obtained by the project proponent from the asset owners of the utility services, which was then used in the design and the coordination of the location of new services installed, is having an impact of the ability to plant trees on George Street.

The City strongly recommends a review of project delivery structure and resourcing be done to fully understand the issue of construction delays and project cost increases. The original program, including fee zone completion dates and penalties also warrants review as it raised the expectations of business and residents which was clearly undeliverable.

RECOMMENDATIONS

Based on the issues raised above, the City recommends:

- the NSW Government and its contractors make available ***consistent and easily accessible contact details*** across all communications channels, including a single point of contact for the project
- the NSW Government provide residents and stakeholders with an ***estimated forecast of project completion*** for each zone and/ or the project overall
- the NSW Government and its contractors provide relevant, ***dedicated project email addresses***, rather than the current generic address (projects@transport.nsw.gov.au)
- the NSW Government continue to provide ***more targeted business support services*** to support those impacted by the project, in combination with improved communication
- The NSW Government provided ***greater transparency around the availability and process for assistance and compensation*** available to residents and businesses
- the NSW Government and its contractors ensure ***a safe environment outside construction compounds***, with commitment to resolving issues within 24-hours
- Transport for NSW provide ***information about the availability and criteria for the alternate accommodation*** program to residents and ensure this information is easily accessible across all communications channels
- The NSW Government seek an ***external review and evaluation of the procurement and contracting model*** to identify improvements that will minimise problems with project coordination, construction delays and cost increases.