Labor exempts controversial Sydney harbour project from environmental laws

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Just a day before it entered pre-election "caretaker mode," the New South Wales (NSW) government of Premier Kristina Keneally last week exempted the controversial $6 billion Barangaroo project from the state's environmental clean-up laws. The massive commercial and residential construction job on Sydney harbour is located on contaminated former container wharves.

Even as the Labor government faces a landslide defeat in the state election on March 26—on current polling it could lose 22 of its 48 seats in the 93-seat lower house—it remains determined to demonstrate its loyalty to its big business masters. To its dying day, the 16-year-old government has been an unwavering servant of the finance industry, property developers and real estate speculators.

The Barangaroo decision, which ensures that the government's public-private partnership with the developer will proceed unhindered, is a prime example of how the Labor Party functions as a direct conduit for these interests. In this case, the beneficiary is Lend Lease, Australia's largest property developer, which has been a major donor to Labor.

Planning Minister Tony Kelly made the change by issuing an order exempting the project from State Environment Planning Policy 55 (SEPP 55), which requires developers to remediate contaminated sites. The order ensured that a Land and Environment court challenge by opponents of the project would be nullified, just before a final judgment was about to be handed down.

Barangaroo is contaminated firstly because it was home to Sydney's main gas works from 1839 to 1921. Then, during the 1960s, a range of toxic materials was used to extend shipping wharves located at the 22-hectare site. Project opponents had argued in the court that the planning minister had not done enough to ensure that contamination would not leak into the harbour.

According to environmental reports, the site's groundwater contains lead, cadmium, mercury, chromium II and VI, and other toxins. In the landfill, there is believed to be arsenic, lead, benzene, polycyclic aromatic hydrocarbons, such as naphthalene, total petroleum hydrocarbons, sulphate and other dangerous chemicals.

Kelly claimed that he issued his exemption without discussing it with Premier Keneally, who in turn claimed that the minister's order was merely a "clarification" of the state's original policy on the site. In May last year, however, the NSW department of planning published a set of environmental requirements for the Barangaroo project, specifically requiring Lend Lease to comply with SEPP 55.

As with hundreds of other controversial projects, the state government also used Part 3A of the Environmental Planning and Assessment Act to by-pass planning regulations, including those which require production of an independent environmental impact statement. Time and again, Labor has ridden roughshod over the concerns of local residents to secure windfall profits for property developers, consultants and financiers.

Under Part 3A, all projects worth more than $100 million are deemed to be "state significant" and not subject to the usual planning laws. Labor has granted over 400 Part 3A exemptions during its 16-year rule. These include the Carlton United Brewery site in Sydney's Broadway, Penrith Lakes, Long Bay Forensic and Prison Hospitals Project, Cattle Bay, Sandon Point Retirement Village, Royal Newcastle Hospital, and a new Coca Cola Amatil plant in Northmead.

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In 1997, Premier Bob Carr gave the go ahead for the reopening of a polluting copper smelter in Port Kembla, south of Sydney. Mass opposition by local residents was brushed aside by Carr, who gave the project a clean bill of health and then pushed through a special act of parliament to circumvent legal action in the Land and Environment court. The lead-emitting smelter continued operating until 2003.

The Barangaroo development is a major project for the government, with numerous current and former Labor officials on board its gravy train. They include Carr, now a board member of Macquarie Bank, which has prospered from the state's burgeoning public-private partnerships, and former Prime Minister Paul Keating, a member of the Barangaroo Delivery Authority, a body established by Keneally when she was planning minister in 2008.

Upon being elevated to premier in a backroom party coup 16 months ago, Keneally appointed herself the Minister for Barangaroo and oversaw a major expansion of the project. As premier, she increased the size of the development, first by 30 percent and then by another 15 percent. The project already exceeded local planning height restrictions by over 300 percent.

Keneally's husband Ben, a former advisor to Carr, is currently an executive with Better Place Australia, an electric car infrastructure company. The Barangaroo Delivery Authority plans to dedicate 20 percent of the parking at the site to electric cars. Premier Keneally brushed aside "conflict of interest" concerns when this was revealed last December, declaring that the planning process had begun six months before she became the Barangaroo minister.

Last week's blank cheque to Lend Lease follows the Labor government's $5.3 billion part privatisation of the state government's electricity network. In order to secure this lucrative selloff, Keneally prorogued parliament last year—three months before the election—in a bid to block an upper house investigation into the sale. (See: "Labor's NSW power privatisation—a no-lose deal for big investors")

Keneally's sordid, anti-democratic manoeuvres are part of a wider process in which Labor governments—local, state and federal—have invariably ensured a constant flow of super-profits to the corporate elite, while at the same time eliminating, or running down to the point of collapse, public housing and other vitally needed social facilities.

The Barangaroo scandal is yet another demonstration that the only way forward for working people lies in a conscious political struggle against the entire Labor apparatus and the development of a mass movement fighting on a socialist and internationalist program for a workers' government. Such a government—of, for and by the working class—would expropriate the giant developers, banks and finance houses, with full protection to small shareholders and depositors, and place them under public ownership and democratic control by the working people themselves.

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