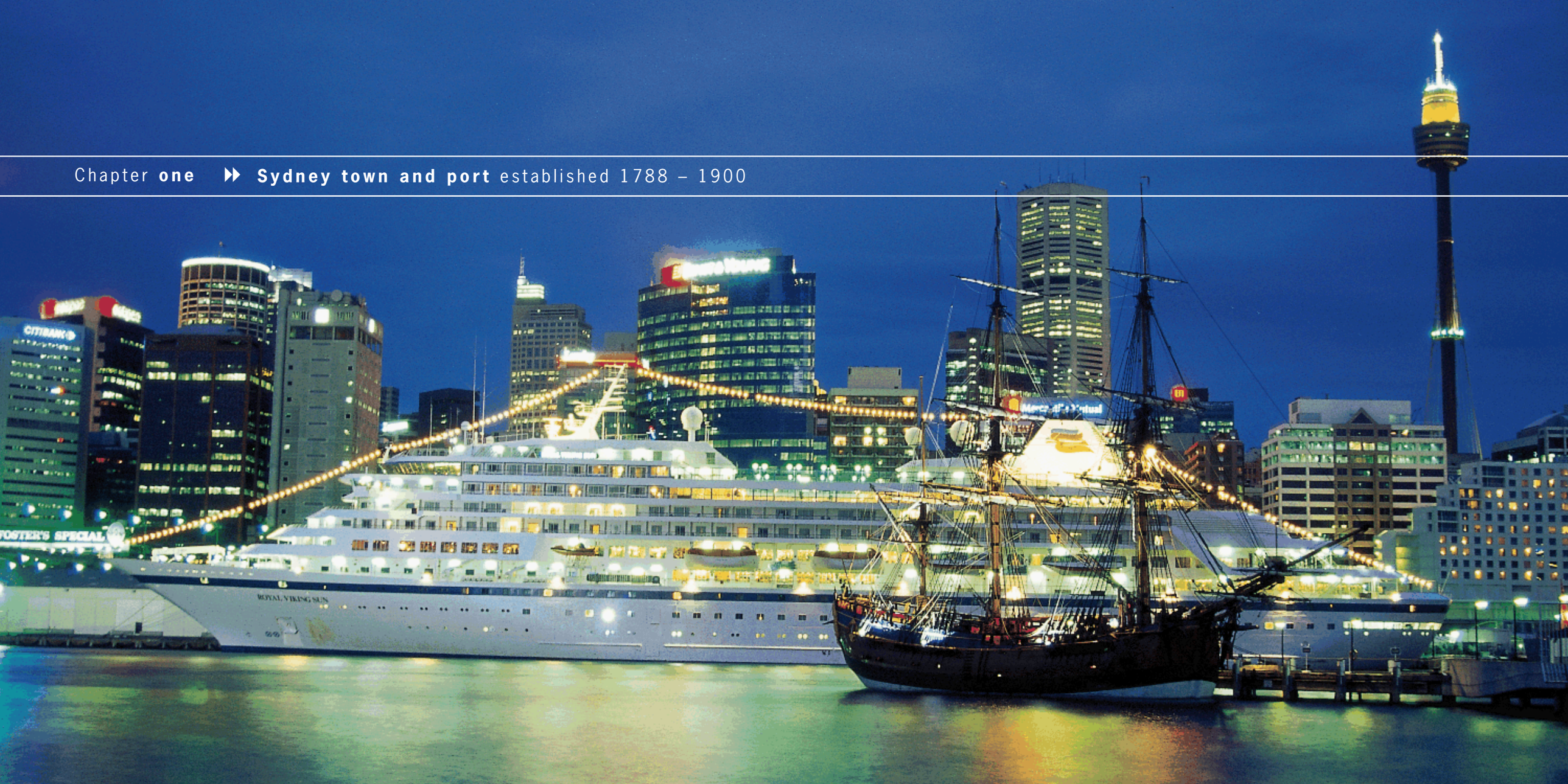
CITIBANK
FOSTER'S SPECIAL
ROYAL VIKING SUN

From the time of Sydney's establishment as a penal settlement in 1788, the appeal of the location was the harbour and its water supply from the Tank Stream. Those features drew Britain's Captain Arthur Phillip to disembark his mostly convict First Fleet party of 1,500 at Sydney Cove. Over the ensuing two centuries, the beauty and potential of Sydney Harbour, also known as Port Jackson, attracted settlers, traders, visitors and business people whose energy, innovation and vision contributed to the city's growth.

And it was the harbour that enabled Sydney to develop as a major trading centre of the South Pacific. From the outset, Sydney derived considerable wealth from its role as a port, while the harbour became internationally admired for its visual grandeur. The development of the city and the port, and the proximity of each to the other, however, over time led to conflict and tensions.

In 1788 Sydney filled a void for England, offering a harbour to accommodate convict ships that, following the American War of Independence, could no longer unload their human cargo in the United States. Named after Britain's Secretary of State, Lord Sydney – who had sent Captain Phillip to Australia to start the penal settlement – the city's development is inextricably woven in with the story of its harbour, which has extensively shaped its character and destiny.

The early years in new Sydney town were challenging, with the Tank Stream proving an erratic source of water and most goods having to be imported, leaving the growing town hugely reliant on shipping. A need for wharves was apparent from the outset: the first recorded mention of wharfage, according to F. Matthews's 'Development of Wharfage—Sydney Harbour', was made by David Collins, first Judge Advocate, who stated that 'a wharf for the convenience of loading stores was begun in 1788' and that in 1789 'some of the hands were employed at building wharves'. Frank Clune, in his 'Saga of Sydney', writes that the first wharf built was a landing stage on the western side of Sydney Cove, on the site of what was later the Maritime Services Board building and, from the late 1980s, the Museum of Contemporary Art. The early wharves, built under instruction from the governor and known as Hospital Wharf and Governor's Wharf, were little more than insubstantial frameworks of logs filled with earth. Hospital Wharf, later King's then Queen's Wharf, subsequently disappeared as Circular Quay was extended in 1854–55.

Growth was swift as the expanding settlement attracted more and more people. The East India Company's monopoly on trading rights, which was not broken until 1813, was a hindrance but, despite that, Sydney's maritime trade grew. A boost came after 1796 when Spanish-American ports closed against British ships because of war, and British whalers turned to Sydney's Port Jackson, the harbour named,

Sydney's Circular Quay in 1890 – an area of constant change, then and now.

Wharf-building crews were kept busy as berthing facilities expanded to accommodate increasing ferry traffic on Sydney Harbour.

but never entered, by Captain James Cook in 1770. British and American whalers took to using Sydney as a base and whale-oil became an important export. Seal-skins and timber were also shipped to the UK. Further activity was in coastal shipping, carrying timber, meat and coal from Newcastle to Sydney. Most commercial ships anchored in and around Sydney Cove; port authorities directed 'foreign' ships to an area designated by Governor Phillip, opposite Sydney Cove and known as Neutral Bay, so that they could not turn their guns on Sydney Town.

A name associated with early wharfage in Sydney was that of its first true merchant, Robert Campbell, an entrepreneurial Scot who arrived in 1798 from Calcutta to start an import-export business. Campbell, often referred to as the 'father of Australian commerce', bought leases of waterfront land on the western side of Sydney Cove and in 1803 built a warehouse and Sydney's first private wharf, which, for many years, was a berth for visiting vessels. Campbell's business flourished in The Rocks, which became notorious as a rowdy dockside district in the early 1800s, with sailors from whaling and other vessels enjoying the hospitality of its many pubs. Several tavern-keepers supplemented their incomes by helping procure sailors for ships' captains seeking fresh crews, a practice helped if the pub had a trapdoor through which an unsuspecting drunk could be dropped and bundled along a tunnel to the waterfront and aboard ship.

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Energetic growth in wool and whaling industries gave the economy a strong stimulus. Wool ranks as an important early industry for Sydney. A pioneer of the industry, John Macarthur, imported Spanish merinos and rams from South Africa in 1796 and began breeding on what became Australia's first large-scale sheep farm, south of Sydney. In 1807 Sydney sent its first shipment of wool to England, launching what became a staple export. Wool exports soared in the prosperous 1830s as Australia's importance increased as a source of wool for the UK's mills. Sydney Cove was a busy cluster of woolstores and wooltraders.

A large woolstore was opened in 1850 at Circular Quay by Thomas Sutcliffe Mort, who had arrived in Sydney as a 22-year-old clerk in a woolbuying firm in 1838. Mort opened his own business as a woolbroker and went on to become another of Sydney's early merchant princes. His name lives on in Mort Bay in Balmain, where in 1854 he built a dry dock for overhauling the steamships that travelled between Australia and the UK. Over the years the dock was expanded and new slipways built; several steamers used in Australian coastal trade were built there in the 1850s and 1860s. Mort also laid the basis for one of Australia's leading pastoral companies, Goldsbrough Mort. By 1850 the UK was taking more than half of its imported wool from Australia. This growth in the wool trade gave impetus to other local industries servicing agriculture and providing domestic supplies such as food, drink and clothing. Also in the 1850s gold was discovered around Bathurst, to the west of Sydney, and the gold rush stimulated further prosperity, with gold at times overtaking wool as a major export earner. In 1879 the first shipment of frozen beef and mutton was successfully dispatched from Sydney to London, adding another flourishing export for Sydney. This achievement, building on earlier trials, was eventually the result of the efforts of brothers Thomas and Andrew McIlwraith and Malcolm McEacharn; it also saw the realisation of a dream of Thomas Mort, who had devoted much time and money to trials in refrigeration but had died in 1878, a year before his vision became reality.

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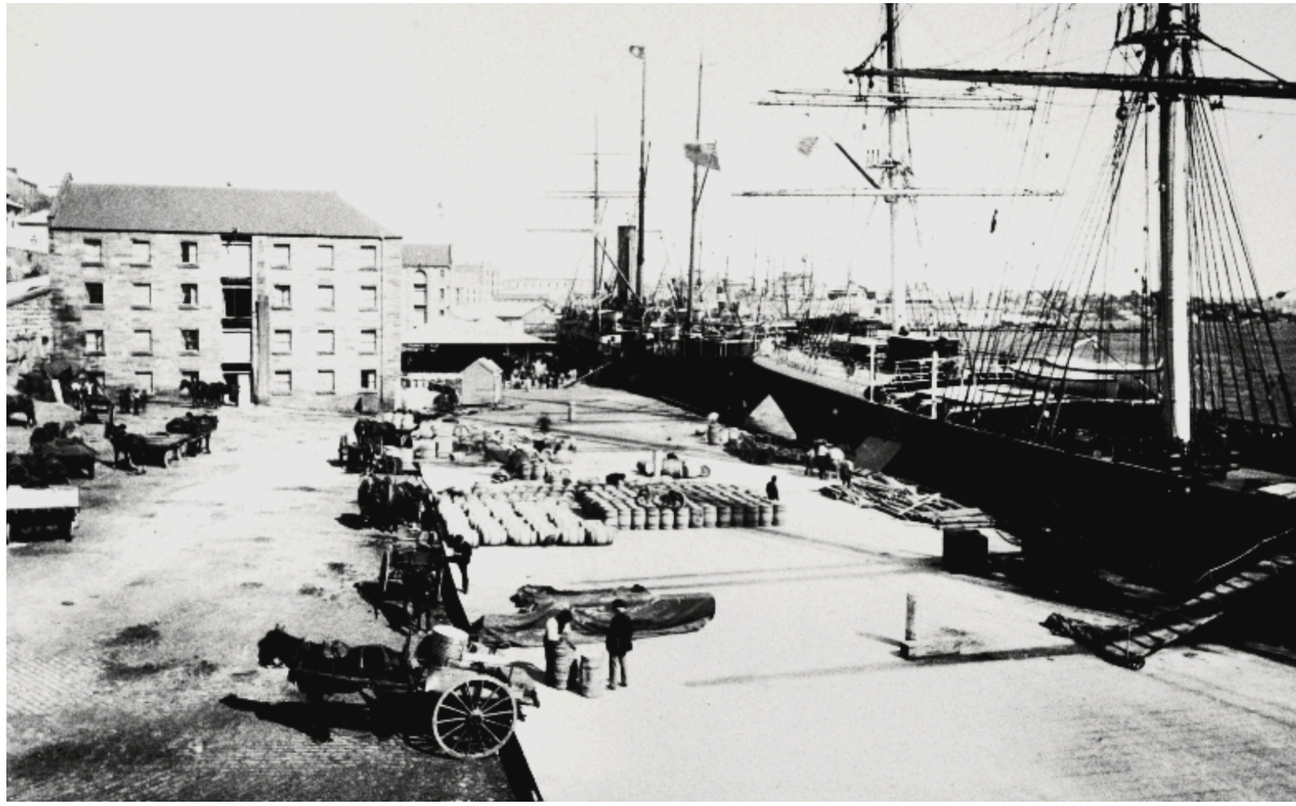
By 1832 Sydney's trade had increased to a point where additional wharf accommodation became essential. In the following year the British Admiralty declared Sydney a free port, legitimising trade by vessels of foreign nations. Adequate wharfage was urgently needed. In July 1833 a council was appointed to examine plans to build a semi-circular quay at the head of Sydney Cove. Its report, delivered in 1836, approved of

> 'a plan for forming a circular quay from the east to the west side of the Cove, which would be capable of extension by scarping the rocky shore along the eastern side of the Cove... About two acres of solid land was to be reclaimed from the mud and silt, and there were proposals for continuing the main streets to the water and erecting a number of public offices around the new Quay...'

Reclaiming the tidal flats of the Tank Stream estuary transformed the area. Dredging began in 1841 and by 1847 the western end of the stone wall was completed, mostly by convict labour. Because the head of the cove formed a 180-degree curve, the area became known as Semi-Circular Quay. Subsequent construction of jetties, and then a railway and road, changed the shape of the quay from curves to straight lines, but the name Circular Quay endures. In the mid-1800s, with accommodation for about 30 ships, it was able to cope with the big increase in activity in the wool and gold industries. Wool became the staple export in the 1860s—the apogee of the era of sailing ships—when trade in whale-oil products tapered off, although gold remained important.



Padbury's Wharf, between Sydney's Dawes Point and Millers Point, circa 1900. The area was later renamed Walsh Bay, after Commissioner Henry Walsh of the Sydney Harbour Trust.

Before the construction of the Sydney Harbour Bridge, opened in 1932, steam-powered ferries were the main link between the shores of Sydney Harbour.

Woolloomooloo Bay, Sydney, circa 1900.

Writing in *A Historial Geography of the British Dominions*, J.D. Rodgers commented:

> 'Sydney was commercial queen of the Southern Hemisphere; and the commerce of Sydney meant wool. Wool was the only export which grew increasingly, unremittingly in every Australian colony. It left its Australian rivals far behind.'

Development in Woolloomooloo Bay began in the 1860s, extending the boundaries of the Port of Sydney. Cowper Wharf, built in 1863, was the first wharf of significance built after responsible government was established in 1856. The government went on to build a group of capacious wharves at Woolloomooloo. By 1870 the number of ships entering Sydney Harbour was six times that of 40 years earlier. The government retained some control over Sydney Cove's Semi-Circular Quay but in neighbouring Darling Harbour and the deep waters later known as Walsh Bay the situation was increasingly disorganised. Darling Harbour, known for the first 40 years after settlement as Cockle Bay because of the vast quantities of cockles, mussels and oysters found there, was later renamed after Governor Ralph Darling. In the 1870s it was not a pleasant spot, with waste and offal from nearby abattoirs running into the harbour, an open sewage outlet and the threat of dangerous sharks attracted by dumped animal carcasses.

Later in the 1880s Cockatoo Island and Balmain were established as shipbuilding and repair areas. Thus the steady growth of the Port of Sydney was evident in the rise in wharfage and waterfront industries, bond and free stores, residences and offices. Australia's trade continued to grow, reflecting the vigour of agriculture and commercial activities, with commensurate growth in ships carrying exports and imports and servicing coastal and interstate markets.

The costs of unregulated growth, however, were becoming apparent. Waterfront streets were narrow and cramped, pollution control non-existent and, overall, the improvement in port facilities was not keeping up with the expansion in trade, resulting in congestion and delays. A failure to achieve coordinated activity reflected the absence of planning for port development.

The Public Works Department had been responsible for building new wharves and extending and repairing older structures. An initial step towards establishing disciplined management of the Port of Sydney had been taken in 1880 with the passing of the Wharfage and Tonnage Rates Act which, in addition to revising berthing fees, defined a public wharf. New wharves were built on the eastern side of Circular Quay and in 1883 the French shipping line Messageries Maritimes became the first shipping company to lease a government wharf under the conditions of the new act. Burns, Philp and Company took a berth in the following year.

By 1900 Sydney had some eight miles of wharves, with the main cargo berths at Darling Harbour, Woolloomooloo and Pyrmont. Many of the timber wharves were privately owned and it was not uncommon for the interests of neighbouring wharf owners to conflict. Limits for extensions of wharves were

Circular Quay, ever a bustling scene, shown here at 9 am in the late 1920s with the trams that were a feature of the city until the early 1960s.

set by several government departments, leading to considerable uncertainty. To create some kind of cohesion, the private wharf owners formed a Wharf Association with a manager and staff; public wharves were controlled by the Public Wharves Department under a manager and collector. Dissatisfaction with port administration, however, was rife and increasing, and a comprehensive harbour improvement scheme was needed to provide solutions to the chronic problems of maintaining wharves, sheds and related facilities.

And in the late 1800s a great change was occurring in the shipping arriving in Sydney port, with steamships increasingly taking the place of the sailing ships. Another shift was a visible increase in shipping from nations other than Britain. Sydney's basic facilities were being swamped by demand. It was clear that, to improve conditions, the government would have to intervene in managing the port.

Managing the Port of Sydney

From the outset there was a recognition of a need to control the volume and variety of shipping entering and leaving the port, to manage anchorage and, later, wharfage areas. Governor Phillip's early colonial administration established a signal station and beacon at South Head, instituted pilotage services and built two wharves at Sydney Cove. Port dues were first levied in 1800.

More formal port management dates from 1811 when Governor Macquarie appointed the first harbourmaster, Robert Watson (after whom Watsons Bay is named), to supervise pilotage. Pilotage fees were fixed in 1813. Then, in 1814, Captain John Piper (Point Piper was named after him) became 'Naval Officer' of Port Jackson, with the authority to collect harbour and customs dues and supervise activities such as pilotage and berths. Payments of rates were made to Piper, who received no salary but was allowed a percentage of the dues collected. The form of administration was reviewed and changed many times in the years that followed as successive regimes sought to keep pace with change and growth in the ports. While the organisations have changed shape and name, an uninterrupted line of administration has come down through the years from the early harbourmasters, pilotage and marine boards, the Sydney Harbour Trust and the NSW Department of Navigation to the Maritime Services Board and today's Sydney Ports Corporation.

A system of providing pilots to guide ships up Sydney Harbour to anchor at Sydney Cove had been in place since 1805 but it was not until 1825 that pilotage was made compulsory in Sydney port and a Pilotage Board was established to oversee pilots. A Steam Navigation Board was established in 1853 to administer laws regarding steamships, ferry services, harbours and navigable waters. This board was dissolved in 1862 and in the following year an amalgamation of the Navigation and Pilotage Boards produced a new authority, Steam Navigation and Pilot Board and Harbour Department.

An important development in administration occurred in 1871 with the passing of a Navigation Act creating the Marine Board of NSW, which had the powers to supervise the issue, suspension and cancellation of certificates of competency and service, frame harbour regulations, preserve ports, license and remove pilots, regulate lighthouses and manage moorings.

Growing sense of crisis in city administration from the 1880s

The end of the nineteenth century saw the government's first serious attempt at planning for coordinated development and improvement of port facilities. Until then, most of the work in providing and maintaining wharves had been left to shipping companies and private individuals. The number of wharves increased haphazardly during the century as trading companies established facilities unconstrained by government control and in the absence of any official planning. As a consequence, when bubonic plague hit, the condition of the Sydney waterfront and nearby properties enabled diseased rats to proliferate and spread their disease further.