

13 May 2013

Major Projects Assessment  
Department of Planning and  
Infrastructure  
GPO Box 39  
SYDNEY NSW 2001  
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Dear Sir or Madam,

**Re: Darling Harbour Live Project**

Infrastructure Partnerships Australia (IPA) and the Australian Industry Group (Ai Group) are pleased to provide this submission in support of the Darling Harbour Live Redevelopment Project (the project).

This submission outlines the limitations of current facilities, expected economic benefits and key attributes of the project. A pre-feasibility study of the options for a new or expanded convention space, prepared by PricewaterhouseCoopers for IPA in 2010 is attached.

By way of background, IPA is the nation's peak infrastructure body. Our mission is to advocate the best solutions to Australia's infrastructure challenges, equipping the nation with the infrastructure assets and services needed to secure enduring economic growth and key social objectives. Our membership comprises the most senior industry leaders across the spectrum of the infrastructure sector, including financiers, constructors, operators and advisors. Importantly, a significant portion of our membership is comprised of government agencies.

Ai Group is a peak industry association which along with its affiliates represents the interests of more than 60,000 businesses employing more than one million employees in a range of sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies; airlines; and other industries.

We support the project and urge all parties to work together to expedite the planning approval process, given the significant expected benefits for NSW.

**1. Limitations of the current facilities**

At 25 years old, the quality and capacity of the existing facilities at Darling Harbour means that New South Wales is increasingly losing ground to competitors interstate and throughout the Asia Pacific region. According to the Sydney Harbour Foreshore Authority, the existing facilities have been unable to accommodate about 27 international conventions, 142 national conventions and 12 exhibitions over the past five years.

Sydney competes with other Australian and international venues to host conferences and events and has become uncompetitive. The existing Darling Harbour Facilities provide an exhibition space of 27,200m<sup>2</sup> and plenary space or convention capacity for 4,500 people, attracting 25.9 visitors annually. This is less than Melbourne at 30,000m<sup>2</sup> and 12,000 people, Singapore at 30,000m<sup>2</sup> and 10,600 people and Hong Kong's two facilities at 53,000m<sup>2</sup> and 70,000m<sup>2</sup> respectively.

Sydney dropped from seventh in 1999 to 34<sup>th</sup> in 2011 in the International Congress and Convention Association (ICCA) worldwide rankings, holding 57 association meetings. This compared with Melbourne at 31<sup>st</sup> in the rankings, holding 62 meetings in 2011. Singapore was 5<sup>th</sup> in 2011 with 142 meetings.

For example, the Swift International Banking Operations Society major international exhibition can no longer be hosted in Sydney due to space constraints. Last held in Sydney in 2006, the event was a major success for Sydney, generating \$54 million in economic benefits, but Sydney will not be considered for 2015 (or future years) unless an expansion is undertaken.

PricewaterhouseCoopers pre-feasibility study, prepared for IPA, found that without redevelopment, the Sydney Convention and Entertainment Centre's direct economic impact could decrease from \$466 million per annum in 2008 to around \$310 million in 2040.

## **2. Expected economic boost from project**

The project will provide a complete overhaul for the 20 hectares around Darling Harbour and the largest exhibition space in Australia at 40,000 square metres, making Sydney competitive with other Asia-Pacific venues in being able to concurrently host multiple large conferences. A new hotel with up to 900 rooms will be built and the Haymarket precinct redeveloped into a cosmopolitan neighbourhood with a mix of shops, cafes and high-tech industry and start-up businesses.

Business conferences and events provide a significant economic boost to Sydney and NSW. The exhibition industry attracts more than half a million people per annum and the 10 largest exhibitions account for around half of all attendees. This generates more than \$100 million in economic benefit for the NSW economy each year with business travellers spending an average of \$677 per day in Sydney, over six times more than the average tourist.

Sydney Entertainment Centre attendees alone are estimated to spend \$50 million in Chinatown, Darling Harbour and rest of the City of Sydney every year.

iNSW estimates that the new facilities will generate a net \$200 million annual economic benefit for the NSW economy, a total of \$5 billion over the course of the 25-year concession. This falls within the range of between \$160 million and \$270 million estimated in IPA's pre-feasibility study.

The project is projected to create 3,700 jobs during construction and providing ongoing employment for 4,000 people across the precinct.

### **3. Concept plan for Darling Harbour**

The 20-hectare Darling Harbour site redevelopment will be delivered through a Public Private Partnership (PPP) between the NSW Government and the Darling Harbour Live consortium, comprising Lend Lease, Capella Capital, AEG Ogden and Spotless.

The pre-feasibility study identified the existing Darling Harbour site as the best location for an expanded Sydney conference and exhibition centre, given its iconic location and scope to expand into the Sydney Exhibition Centre site.

The pre-feasibility study also recommended using a PPP so that project risks can be transferred away from taxpayers and private sector innovation can be harnessed to deliver facilities like a new deluxe hotel for Sydney. These sorts of benefits were demonstrated by the award-winning Melbourne Convention and Exhibition Centre PPP.

Coupled with the Barangaroo project, the redevelopment of Darling Harbour will revitalise the western CBD, knitting Darling Harbour, Ultimo and Piermont back into the city. It will host Australia's largest convention, exhibition and entertainment facilities, including:

- up to 40,000m<sup>2</sup> of exhibition space and over 8,000m<sup>2</sup> of meeting rooms space, across 40 rooms;
- overall convention space capacity for more than 12,000 people;
- a new hotel with up to 900 rooms, making it Australia's largest;
- a ballroom capable of accommodating 2,000 people;
- a red-carpet entertainment facility with a capacity of 8,000 persons and a fan-shaped auditorium adaptable for a range of uses including concerts and 'mega conferences'; and
- a 3,000m<sup>2</sup> outdoor event space in Tumbalong Park, capable of hosting up to 27,000 people.

Transport links will be important enablers for the site and we note that the plan includes improved pedestrian connections linking to the proposed Ultimo Pedestrian Network drawing people between Central, Chinatown and Cockle Bay Wharf as well as east-west between Ultimo/Pymont and the City.

Improved access will be provided to public transport including light rail, Town Hall and Central Stations along with new dedicated cycleway and bicycle facilities. For example, there will be a new 800m, 20m wide boulevard running north from Quay St, near Central Station.

### **4. Concept plan for The Haymarket**

'The Haymarket' will provide housing for over 2000 people, an IQ Hub focused on the creative industries and high-tech businesses, apartments, student accommodation, shops, cafes and restaurants. The Haymarket precinct will be delivered through a separate Project Delivery Agreement with Lend Lease.

The 'IQ Hub' is proposed to be developed in conjunction with the University of Technology Sydney (UTS), building on the existing knowledge base in the area, centred on the UTS and TAFE campuses. It will encourage a diverse local economy, providing purpose built, low-cost workspaces for start-up ventures and social initiatives in creative industries.

A 'silicon strip' street fringe is proposed as an entrepreneurial zone focusing on high tech businesses. Affordable office space and modular work environments will be provided to allow sole operators to 'plug in and play', or small groups to come together for specific projects. Software programmers, social media entrepreneurs and data specialists are among the likely tenants in this new zone.

Continuing the high-tech theme, the Tech Market will bring together a mix of operators under one roof, with a range of services from new hardware and software, through to repairs and reference materials. Designed as an open-plan space, it will provide a virtual online experience, allowing shoppers to browse, compare and contrast different tech products.

## **5. The planning process**

Key to the development of the plan has been the government's approach of providing a high-level set of objectives for the new facilities, allowing the maximum private sector innovation to provide value for money for the State. The State also provided a set of urban design guidelines for the project, outlining the required urban design elements for the project.

Certainty over State requirements is a key factor in the successful delivery of infrastructure projects and the successful delivery of this project, as well as Barangaroo South, will attract keen interest from local and international investors as NSW looks to repair its reputation as a place to do business following the cancellation of the CBD metro project in 2010.

With the new convention centre already taking bookings, we urge all parties to work together to ensure the planning approval process is successfully completed so that construction can commence on schedule in December 2013.

Should you require any further information, I invite you to contact IPA's policy team on (02) 9240 2064.

Yours sincerely,



**BRENDAN LYON**  
Chief Executive Officer  
Infrastructure Partnerships Australia



**MARK GOODSSELL**  
Director - NSW  
Ai Group