

# Western Sydney Stadium



11-13 O'Connell Street Parramatta

Economic Benefit Statement

Prepared on Behalf of Lendlease

February 2017 ■ 16435

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## 1.0 Introduction

In September 2015, the NSW Government announced a package of works to renew the Sydney Stadium network over the next decade. The Western Sydney Stadium Project (the Project) forms a key part of this package and involves the construction and operation of a new 30,000 seat stadium on the site of the existing stadium in Parramatta (the Site).

The existing site is an important piece of sports and recreation infrastructure for Western Sydney and is the home stadium of the Parramatta Eels National Rugby League (NRL) team, the Western Sydney Wanderers A-League soccer team and Greater Sydney Rams National Rugby Championship team.

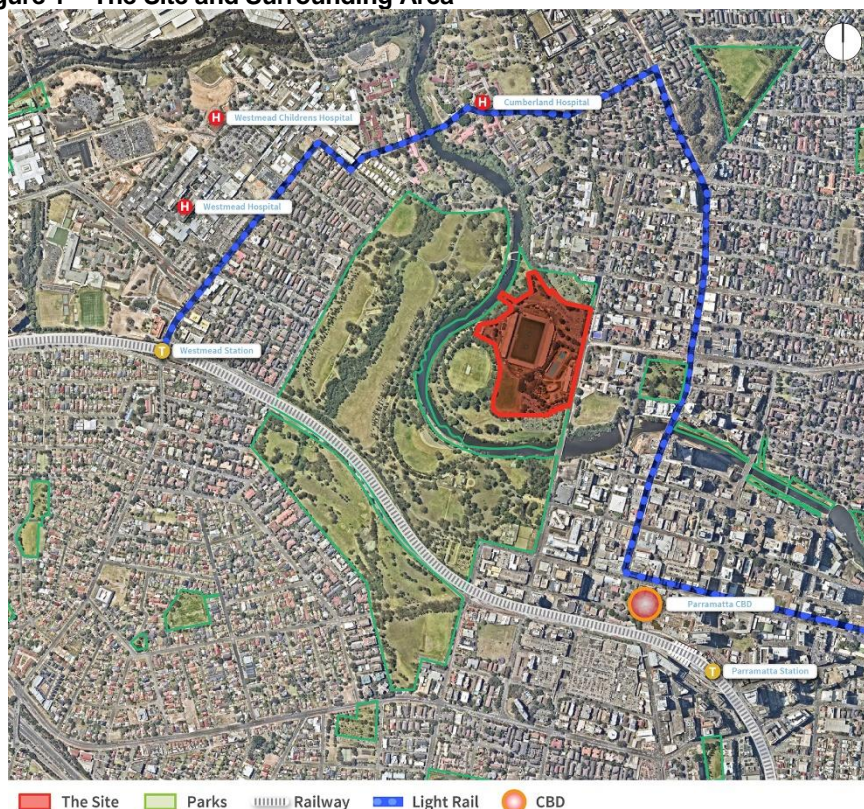
The new Western Sydney Stadium will be the first in a network of contemporary venues that will enable NSW to maintain competitiveness in the national and international sporting and event market, as well as to deliver major sporting infrastructure for Western Sydney. The project will have a number of economic benefits for the economy during construction and operation.

This Economic Benefits Statement (EBS) seeks to compliment the findings of the socio-economic technical working paper completed for the Stage 1 – Concept Plan EIS<sup>1</sup> by examining how the redevelopment of Western Sydney Stadium aligns with the NSW Government and Parramatta City Council's key regional economic development and planning strategy objectives.

### 1.1 Site Context

The stadium is located at 11-13 O'Connell Street, Parramatta, is approximately 1km North West of the Parramatta CBD and Parramatta Train Station and located within the Parramatta Parkland area that traces the Parramatta River. **Figure 1** below outlines the site of the stadium and the surrounding area.

**Figure 1 – The Site and Surrounding Area**



Source: JBA

<sup>1</sup> Western Sydney Stadium, Socio-economic Technical Working Paper, AECOM, 2016.

The Parramatta CBD, South East of the site, is the key administrative, commercial and economic hub of Western Sydney. Parramatta's economy has experienced considerable growth over the last decade which has created many new employment opportunities and businesses within the area surrounding the Site.

Parramatta is heralded as Sydney's second CBD and the redevelopment of the Western Sydney Stadium will strengthen Parramatta's role and function within Greater Sydney, provide more jobs, attract additional investment to the area and improve Parramatta's ability to attract more national and international sport events.

## 1.2 The Project

Infrastructure NSW (iNSW) on behalf of Venues NSW submitted a State Significant Development Application (SSDA) for the Stage 1 concept proposal and demolition of the existing stadium in July 2016. Consent for the Stage 1 SSDA was granted by the Minister for Planning on 7 December 2016:

This Economic Benefits Statement relates to the Stage 2 Development Application (DA) for the detailed design and construction of the stadium. The SSDA seeks approval for the following components of the development:

- Detailed design of the stadium, public domain and car parking spaces;
- Construction and use of the 30,000 seat stadium including:
  - General Admission Facilities including bars, food and drink stalls, amenities and viewing areas;
  - A function centre and kitchen facility;
  - Associated Stadium facilities including player and coaching facilities, media and press conference rooms, security and stadium managers' facilities; and
  - Waste storage and loading dock
- Construction and embellishment of the public domain including:
  - Outdoor sporting and recreation facilities;
  - Public plazas and entertainment areas; and
  - General landscaping works
- Provision of up to 500 car parking spaces with vehicle access to the development from O'Connell Street and internal roads for vehicular circulation;
- Provision of signage zones, lighting and other ancillary stadium elements;
- Pedestrian access and footpath upgrades along O'Connell Street; and
- Extension and augmentation of physical infrastructure / utilities as required.

## 1.3 Methodology, Data Sources and Assumptions

As outlined above, the primary objective of this economic benefit statement is to complement the previously completed socio-economic technical paper completed by AECOM for the Stage 1 Concept Plan and Demolition EIS.

To satisfy this primary objective this EBS has undertaken the following methodology has been undertaken:

1. Analyse key economic strategies, policies and existing studies to determine how it may align with outcomes of the Project;
2. Determine if the project will create any additional jobs; and;

Determine if/how the project may benefit the local economy, night time economy, businesses and industries such as tourism and retail.

Data sources used to compile this EBA include:

- ABS Household Census - 2011;
- Bureau of Transport Statistics Employment and Industry Forecasts – 2014;
- Parramatta City Council i.d. Profile economic data, 2017; and

- Western Sydney Stadium Technical Working Paper: Socio-economics – 2016

Key assumptions applied to completed this EBS include:

- Financial and economic modelling undertaken in the socio-economics technical working paper for the Stage 1 Concept Plan and Demolition DA is correct;
- Estimates of jobs generated during the construction and operation of the project are correct;
- Capital expenditure estimates outline are correct; and
- Economic data reported by Parramatta City Council via i.d. Profile is correct.



## 2.0 Strategic Planning and Policy Alignment

The development of the new Western Sydney Stadium fulfils a number of economic development and strategic planning objectives for Parramatta and Greater Sydney. These range from job creation, urban renewal, infrastructure enhancements and strategic positioning of Parramatta as Sydney's second CBD. Outlined below are the key plans and policies the project will contribute to or achieve.

### NSW Government Plans and Policies

In 2015 the NSW Government identified several *State Priorities*, including building infrastructure to ensure NSW meet the demands of population growth in NSW. Over the next 10 years, NSW is expected to grow by 850,000 people, requiring suitable infrastructure to accommodate, attract, and retain talented people and businesses. New and redeveloped infrastructure will help make NSW a more competitive, liveable State with world-class facilities.

Within the NSW Government Priorities is the *Rebuilding NSW – State Infrastructure Strategy 2014*, which is aimed at further boosting the vibrancy and competitiveness of NSW through infrastructure investments. Approximately \$1 billion of the committed \$20 billion of infrastructure investment committed in this strategy is dedicated to stadia infrastructure.

*The NSW Stadia Strategy 2012* and the *2015 Stadia Implementation Strategy* sits at the nexus of economic and sporting infrastructure strategies, and has allocated \$1.6 billion towards *Rebuilding the Major Stadia Network*. It is expected that this network of stadia upgrades and development will result in an optimal mix of venues across the State that remain competitive at the National and International level.

The new Western Sydney Stadium will be a state-of-the-art facility that will have greater capacity to host a wide range of diverse events that will cater to a larger and more demanding rate of visitation. Redevelopment of the Western Sydney Stadium will be a key milestone in delivering the above NSW government strategies and priorities.

### Greater Sydney Metropolitan and District Plans and Policies

Sydney's key regional and metropolitan strategic planning documents, *A Plan for Growing Sydney* and the recently released Draft District Plans by the Greater Sydney Commission, outline Parramatta is to play a significant role in Sydney's Future. Both plans identify Parramatta as the gateway to the Greater Western Sydney region and will serve as the Sydney's CBD.

The future role of Parramatta was outlined in greater detail by the Greater Sydney Commission's vision for the Greater Parramatta and Olympic Peninsula (GPOP). This vision for GPOP identifies Parramatta will be the true centre of activity in Sydney and will have a connected and unified community. It also identifies a key action for the area is the redevelopment of stadium infrastructure within the GPOP area.

Development of the new Western Sydney Stadium will provide a standard of sporting infrastructure expected of any major city. It will ensure the region's key sporting and cultural activities have a highly regarded home venue and help attract additional investment and urban renewal in the GPOP area.

### Local Plans and Policies

The *Parramatta 2038 Community Strategic Plan* identifies the City as "the driving force and heart of Australia's most significant economic region; a vibrant home for diverse communities and a centre of excellence in research, education and enterprise". The key objectives of the Strategy include creating 50,000 new jobs by 2038, developing a connected series of parks and recreation spaces, and promoting Parramatta as a world-class city that celebrates a strong sporting and cultural heritage.

Parramatta City Council's current Economic Development Strategy identifies the city's top economic priorities as improving the city's identity, developing local business, attracting skilled workers, accommodating the city's future growth, improving local amenity and securing infrastructure investment in the area.



The Project positively contributes to all of these plans and policies by creating a vibrant recreational precinct that will help to build the profile of Parramatta, create new job opportunities, support local businesses, encourage more investment in Parramatta and promote a strong sporting and entertainment culture as well as build community identity within Parramatta.

## 3.0 Economic Benefits

Construction and operation of the new Western Sydney Stadium will generate several economic benefits for the local economy. In 2015 the value of the Parramatta economy was estimated to be \$22.1 billion and accommodates approximately 159,796 workers<sup>2</sup>. The Project will generate a number of economic benefits that will support and enhance Parramatta's growing economy. Outlined below is a summary of the key economic benefits generated by the Project which were identified as part of the Stage 1 Concept Plan EIS<sup>3</sup>.

### Jobs Growth

The demolition, construction and operation of the new Western Sydney Stadium will create new employment opportunities for the Parramatta economy. Demolition and construction of the Project is anticipated to generate approximately 520 jobs.

Lendlease estimates that once operational the new Western Sydney Stadium will support additional job opportunities. During a sporting event up between 600 and 900 people would be employed to provide catering, security, cleaning and customer service. During a concert event additional workers may be required. On non-event days, staffing requirements may vary between approximately 20 staff would be employed.

Currently between 22-23 events are held at the existing stadium each year. It is anticipated that between 43-44 events will be hosted at the new Western Sydney Stadium each year. These additional events will increase the employment generated by the stadium each year.

An increase of jobs in the local area will help reduce the unemployment rate within Parramatta. At the time of the 2011 Census Parramatta had an unemployment rate of 6.5% which was 0.8% higher than the Greater Sydney unemployment rate of 5.7%<sup>4</sup>.

### Capital Expenditure

A financial appraisal of the Project completed in the Stage 1 Concept Plan EIS estimate the Project has a capital expenditure of approximately \$300 million<sup>5</sup>. This is a significant construction project that will likely generate additional expenditure in the Parramatta economy through economic multipliers that will support local businesses,

### Supporting Local Businesses

Construction and operation of the Project will support local businesses. The additional workers, visitors and subsequent expenditure in the local economy will support local businesses. Retail, accommodation and food services and construction businesses in close proximity to the Site are likely to receive an economic benefit from workers during demolition and construction phase as they seek goods, services and materials close to the Site.

Once operational the increased activity at the stadium is likely to increase the patronage to local businesses. Spectators and visitors to the stadium are like to participate in pre and post games activities. Businesses likely to benefit the most from the increased number of visitors to the new stadium include general retailers, restaurants, bars, clubs, souvenir retailers, hotels and food and beverage retailers.

### Precinct Development

The new Western Sydney Stadium will help link North Parramatta and surrounds to the Parramatta CBD and grow a vibrant inner city precinct. The Project is a catalyst development that will encourage the continued urban renewal of North Parramatta and revitalisation of the Parramatta CBD. Public realm enhancements, street lighting, retail

<sup>2</sup> City of Parramatta, *Economic Profile, Profile i.d.* 2017.

<sup>3</sup> Western Sydney Stadium, *Socio-economic Technical Working Paper, AECOM, 2016.*

<sup>4</sup> 2011 ABS *Population and Household Census.*

<sup>5</sup> Western Sydney Stadium, *Socio-economic Technical Working Paper, AECOM, 2016.*

outlets, wayfinding and increase activity in the surrounding area will enhance the vibrancy of the regionally significant recreational precinct of Parramatta Park.

The Project will help connect the surrounding recreational precinct to Parramatta's 'Eat Street', along Church Street into the Parramatta CBD, and other recreational and cultural facilities such as the 'Riverside Parramatta' theatre and proposed relocation of the Powerhouse Museum.

### **Night Time and Visitor Economies**

The Project will be a significant boost to Parramatta's night time and visitor economies. The increased capacity of stadium will allow Parramatta to host an increased number of visitors and spectators. These visitors are likely to participate in pre and post-game activities at local bars, cafes, restaurants and clubs. This increased expenditure is likely to increase the level of activity and trade of Parramatta's night time economy.

The increased number of spectators and visitors to Parramatta during an event will also increase the demand for short term visitor accommodation. Parramatta CBD and North Parramatta currently have a number of hotels short term visitor accommodation options that will benefit from the increased demand in overnight accommodation.

## 4.0 Key Findings

The construction and operation of the new Western Sydney Stadium is aligned with several regional and local economic development strategies and will generate a variety of economic benefits for Parramatta. Some of the major strategic plans and policies and how the Project supports and contributes to them include:

- The NSW Government State Priorities – helping NSW become a more competitive and liveable state;
- Rebuilding NSW State Infrastructure Strategy 2014 – providing infrastructure to support NSW's expected growth and development;
- NSW Stadia Implementation Strategy – achieving a key milestone within the strategy;
- A Plan for Growing Sydney – supporting Parramatta's growth and development as a Sydney's second CBD;
- Central Draft District Plan – supporting the growth and development of GPOP and revitalisation of the region's stadiums;
- Parramatta 2038 Community Strategic Plan – improving Parramatta's recreation spaces and fostering a strong supporting culture; and
- Parramatta Economic Development Strategy 2011 – 2016 – improving the city's identity, developing local businesses, attracting skilled workers, accommodating the city's future growth, improving local amenity and securing infrastructure investment in the area.

The key economic benefits generated by the Project include:

- Supporting approximately 520 jobs during demolition and construction of the Project;
- Supporting approximately 900 jobs during an event;
- Attracting additional events within Parramatta that will supporting local and surrounding businesses;
- Catalysing additional development and investment within North Parramatta and the Parramatta CBD into; and
- Stimulating Parramatta's night time and visitor economies with increase pre and post-game expenditure circulating through the local economy and an increased demand on short term accommodation.