



NEW SOUTH WALES

NEWS RELEASE

The Hon. Kristina Keneally MP

Member for Heffron

Minister for Planning

Minister for Redfern Waterloo

Embargoed until 5.00am Friday 7 November 2008

A NEW AND COORDINATED APPROACH FOR BARANGAROO

A new authority will be established to oversee and manage the \$2.5 billion redevelopment of Barangaroo and the Government will reverse the April 2008 announcement that construction of the Headland Park will be fast tracked.

Planning Minister, Kristina Keneally, today announced the new **Barangaroo Delivery Authority** will bring together the required expertise to manage design and construction of one of the most important CBD redevelopments ever undertaken in Sydney.

“Since taking charge of the planning portfolio in early September, it’s become clear to me that the Barangaroo project must be delivered in a more co-ordinated manner,” Ms Keneally said.

“Sydney Harbour Foreshore Authority has done a very good job on the initial planning phase, but Barangaroo is now too significant to the city’s economic future to be one of many projects juggled by an organisation.

“Barangaroo is a unique project, redeveloping a 22 hectare waterfront site in the heart of the CBD, delivering significant commercial and residential space and a new Headland Park for the western side of the Harbour. The project requires significant expertise and an authority focussed on its delivery.

“Barangaroo will set Sydney up to be the financial services capital of the Asia Pacific, underpinning our economic growth for years to come. The new Barangaroo Delivery Authority will work across Government and with the private sector to deliver this important project.

“The creation of this new authority reinforces the Government’s commitment to the delivery of Barangaroo in a coordinated and financially responsible manner.

“The Chairman of Sydney Harbour Foreshore Authority, Mike Collins, will play a key role in the new Barangaroo Delivery Authority.”

Ms Keneally said she would tell the new Barangaroo Authority that she was reversing the Government’s April 2008 announcement that the Headland Park would be fast tracked.

“The Headland Park is funded by the project revenue from the sale of development rights at Barangaroo, and earlier this year the Government announced it would advance the funding to build the park before the commercial precinct development started,” Ms Keneally said.

“Under this forward funding arrangement, building of the Headland Park would have started in late 2009 and finished in late 2012, about three years earlier than originally planned, with project revenues ‘paying back’ the construction cost provided by Treasury.

“Given the current economic climate and demand on portfolios like health and transport, the Government can not and will not outlay \$150 million, plus up to \$25 million in interest, for the sake of having a park which will be an asset for over 100 years in place three years early.

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“The Government is returning to the original plan, where the Headland Park will be funded and built at the same time as the southern commercial precinct, with construction to start in late 2011 and the park to be opened in late 2014.”

Ms Keneally said she will now take several actions to allow for the transfer of the project to the new Barangaroo Delivery Authority, including:

- **Extending the deadline for the current Request for Detailed Proposals** for the design and delivery of the southern commercial and residential precinct by approximately three months. The extension also allows time for the Commonwealth to respond to the Rees Government request for funding for the Central to Rozelle Metro line;
- **Requiring the new Authority to consult closely with the shortlisted proponents on the state of the international finance markets and the ramifications for Barangaroo.** The Government is conscious of the extraordinary volatility in global financial markets at present, and wants to ensure the delivery strategy for the southern commercial precinct remains responsive to market dynamics; and
- **Suspending the current Expression of Interest process for the design of the Headland Park and public domain.** Since 1 October 2008, prospective consultants have been asked to outline their skills, capacity and experience for the job (no design work was being done at this stage). Given the changes the Government has announced today, it is appropriate to suspend this process until the new Authority is in place and the Request for Detailed Proposals is complete.

“The delivery of Barangaroo is also the delivery of the future of the Sydney Central Business District. I want the project properly managed and delivered as an asset for Sydney for generations to come,” Ms Keneally said.

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