

BARANGAROO SYDNEY AUSTRALIA

11 August 2009

TWO CONSORTIA TO COMPETE FOR BARANGAROO

Two consortia have been invited to compete in the final phase of the process to select the developer for the first stage of Barangaroo, Sydney's world benchmark city waterfront precinct.

John Tabart, Chief Executive Officer of the Barangaroo Delivery Authority, said two proponents, Brookfield Multiplex and Lend Lease, have been chosen to refine and enhance their proposals in competition and undertake final negotiations with the Barangaroo Delivery Authority. The proposal by Leighton, Mirvac and Macquarie Capital Group will not be considered further at this stage.

This announcement follows the extensive evaluation of comprehensive proposals submitted on 31 March 2009 by the three shortlisted consortia:

- Brookfield Multiplex
- Lend Lease
- Leighton, Mirvac and Macquarie Capital Group

The Chair of the Barangaroo Delivery Authority, Mike Collins, said: "This is a decade long development project but it has a 250 year precinct life for the people. It is important to ensure all fundamental aspects are correct from the outset. Our final decision to recommend a consortium to partner with the Government will be made when the enhanced proposals have been thoroughly evaluated.

"Innovation, sustainability, the highest standards of urban design, and a spectacular public domain are essential to ignite the interest and the passion of the people of Sydney and our partners and investors.

"The proposals have many creative, sophisticated, and high quality features that positively respond to the Government selection criteria, and it is now time to enter into a final phase of the process to achieve the best outcome for the State."

Mr Tabart said that areas of design excellence, active public waterfront, mixed use integration, finance and risk, sustainability, planning and delivery, marketing and promotion, can all be further enhanced in the final phase.

The Barangaroo Delivery Authority plans to provide the Government with a progress report that can be made public prior to the Authority making a final recommendation to Government on the preferred developer. The report is to outline common financial, design, and sustainable elements of the proposals, including images.



New South Wales Government

Barangaroo Delivery Authority

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“We are also now publishing the selection criteria and their weightings which have, and will continue to be used, to assess the developers’ proposals”, Mr Tabart said.

The six selection criteria and the weightings are:

- | | |
|-----------------------------|-------|
| ▪ Design | (35%) |
| ▪ Financial return and risk | (35%) |
| ▪ Sustainability | (10%) |
| ▪ Delivery and planning | (10%) |
| ▪ Marketing and promotions | (5%) |
| ▪ Capability | (5%) |

Design, financial return and risk have the greatest weightings amounting to 70% of the total due to the importance to achieve urban design excellence and ensure Barangaroo is financially sustainable.

The weighting of 10% for the sustainability criteria is in the context of an already world benchmark objective, for a carbon neutral, climate positive CBD precinct.

This means that Barangaroo can have a positive ecological footprint being:

- water positive, by exporting more water than it uses;
- zero waste and potential to clean up more waste than we generate (from surrounding area); and
- carbon neutral, by generating more renewable energy than we use – for Barangaroo this is the equivalent of taking 36,000 cars off the roads each year.

More information on Barangaroo is available at www.barangaroo.com

Attached

Background Facts about Barangaroo:

- Stage 1 Development Proposals
- The Evaluation to date
- Headland Park
- Remediation of the former Millers Point gas works site

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Images of Barangaroo are available on request



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Background Facts about Barangaroo

Stage 1 Development Proposals

In April 2008, the Government began a global search inviting Expressions of Interest to design and develop the first stage of Barangaroo. In September 2008, it announced the three proponents invited to participate in the Request for Detailed Proposals. The three proponents were given until 31 March 2009 to submit their detailed proposals for the site.

Barangaroo will be developed in stages. The Stage 1 development includes a major portion of the southern development zone and includes:

- Development blocks 1, 2, 3 and 4;
- The design and development of the public domain adjoining development blocks 1 to 4 including the southern cove;
- Delivery of infrastructure to support development blocks 1 to 4 and adjoining the public domain;
- The remediation of land comprising development blocks 1 to 4 and adjoining the public domain, southern cove, development block 5 (and adjoining the public domain) and potentially parts of Hickson Road.

The assessment of the detailed proposals is managed by the Barangaroo Delivery Authority with specialist expert advisors appointed by the Authority to independently address six criteria.

The Evaluation to date

An Evaluation Panel's assessment, evaluation and recommendations were reviewed by an Executive Review Panel and the Board of the Barangaroo Delivery Authority, which made recommendations to the Minister for Planning for consideration by the Government. It also included reports and recommendations from the Design Excellence Review Panel, chaired by Paul Keating and comprising experts in the fields of architecture, landscape and culture.

The roles of the advisors, Design Excellence Review Panel, Executive Review Panel and Evaluation Panel will continue in the final phase.

If Brookfield Multiplex or Lend Lease elect not to accept the invitation to go forward in the next round then the Authority reserves the right to either negotiate directly with one Proponent, or to invite another Proponent to participate in the Final Phase.

It is expected a final developer will be recommended to Government by late 2009/early 2010 with construction expected to commence by 2011.

Headland Park

In February 2009, an amended proposal to create a more natural headland and larger northern cove for Barangaroo was released for public comment.

The amendment will allow a vast natural park to be created for Sydney and return this part of the harbour and its foreshore to the community after more than 100 years of industrial use.

The proposed amendments were exhibited by the Department of Planning from 4 February to 6 March 2009. The Barangaroo Delivery Authority has advised they will submit a Preferred Project Report for the Concept Plan modification to the Headland Park and Northern Cove.

The report will consider key issues from the public submissions including improved public amenity and access, activation, sustainability and connection to surrounds including the southern part of Barangaroo.

Remediation of the former Millers Point gas works site

Like many post-industrial sites in Australia, Barangaroo has some below-ground contamination from its former use as a gas works. The contamination area covers both the Barangaroo site and the adjacent Hickson Road.

The Department of Environment and Climate Change (DECC) publicly declared the site an investigation area in 2007, and following further studies declared it a remediation site in May 2009, making it subject to a statutory investigation and remediation process.

DECC has confirmed on a number of occasions that the contamination is contained below ground and is presently capped by the hard surface across the entire Barangaroo site.

In a letter to the Sydney Morning Herald on March 16 2007, DECC's Deputy Director General noted: *"The local community is absolutely protected from the site. Our requirements are that as contaminated soil is dug up during redevelopment, it is properly managed and safely disposed of."*

The specific methods, cost and cost-sharing of remediation are not yet determined and will not be known until a full remediation strategy is developed. They are subject to active discussions between the Barangaroo Delivery Authority, the City of Sydney and the company which operated the former gas works.

The remediation work will be undertaken either by the final proponent as part of the Stage 1 offering or as part of a separate contract.

On behalf of the NSW Government, the Authority will seek to ensure that the original parties responsible for the contamination will pay their respective share of the liability.