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## MEDIA RELEASE

### AUDITOR-GENERAL'S REPORT

#### Government expenditure and transport planning in relation to implementing Barangaroo

The Auditor-General, Mr Peter Achterstraat, today released his report on Government expenditure and transport planning for the implementation of the Barangaroo project.

Barangaroo is an ambitious and significant development on Government-owned Sydney Harbour foreshore. Construction on the 22 hectare CBD site is expected to take 12 years to 2023. Developer contributions to Government of \$1 billion are to provide for public domain and other Government development costs, including a six hectare Headland Park. When completed the precinct is to service an anticipated 26,000 workers and residents and up to 33,000 visitors a day.

The Auditor-General concluded that while there was extensive transport planning and extensive documentation supporting Government financial forecasts, considerable risks remain for the implementation of the Barangaroo project.

“The success of Barangaroo depends very much on people being able to get there and leave with ease” said Mr Achterstraat. “Wynyard station is nearing capacity and will need to handle many more commuters. Transport solutions for the CBD need to be started and completed on time”, he added.

Sixty three per cent of Barangaroo commuters are expected to come by rail in the AM peak. Wynyard station will need to handle a predicted increase of 3,900 Barangaroo commuters daily from December 2013, growing to 8,700 in September 2015, 13,100 in December 2020 and 14,300 in December 2023.

The report also highlighted significant risks for the Government's 15-year financial forecast. Revenue from the developer may be more or less than expected as a significant amount is based on future market values of the developer's buildings. Public domain construction costs may be greater than expected and some have increased recently.

Mr Achterstraat said, “Barangaroo's financial forecast has not been comprehensively revised since December 2009. An update is especially important as the project enters its construction phase.”

There is some related public expenditure not in the Authority's financial forecast. These include part of the cost of the Barangaroo Pedestrian Link (\$186m), three ferry wharves at Barangaroo (\$45m estimate) and the fit-out of the cultural space within the Headland Park (yet to be estimated).

Mr Achterstraat recommends, “Costs need to be monitored very closely so that the public domain part of Barangaroo remains within the \$1 billion budget and at no cost to Government. Any savings could fund other Government projects like schools and hospitals.”

“A lot needs to be done before the Barangaroo precinct is successfully completed”, added Mr Achterstraat.

#### Further information

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A copy of the report is on the Audit Office's website.

## Increasing Barangaroo workers

	Cumulative Total
2013	6,200
2015	13,800
2017	14,300
2020	20,900
2023	22,700

Source: Barangaroo Delivery Authority

## CBD commuter mode shares – AM peak

Mode	Barangaroo target %	Current CBD Usage %
Rail	63	50
Bus	18	23
Ferry	1	3
Car (including passenger)	4	18
Other*	14	6
	100	100

Source: TMAP and Bureau of Transport Statistics TNSW 2010

\*'Other' includes pedestrians, cyclists, motorcyclists, taxis and light rail

## Increase in gross floor area (GFA)

	Concept Plan	Modification 2	Modification 3	Modification 4
Approval Date	9 Feb 2007	6 Feb 2009	11 Nov 2009	16 Dec 2010
Barangaroo South	322,300	430,275	430,275	490,240
Barangaroo Central	60,200	78,025	59,225	59,225
Public Domain/Headland Park	17,300	11,500	11,500	14,500
<b>Total</b>	<b>399,800</b>	<b>519,800</b>	<b>501,000</b>	<b>563,965</b>

Source: Department of Planning approvals

## Barangaroo Delivery Authority Financial Forecast for 2010–2024 (summarised):

Expenditure	\$m	Revenue	\$m
Headland Park	177 <sup>1</sup>	Fixed payments <sup>8</sup>	
Site acquisition	97 <sup>2</sup>	Value sharing payments <sup>9</sup>	
Barangaroo Pedestrian Link	100 <sup>3</sup>	Other revenue <sup>10</sup>	
Cruise Passenger Terminals	46 <sup>4</sup>		
Site Remediation	112		
Operating & finance costs	228		
Other projected expenditure:			
Barangaroo Central <sup>5</sup> }	271		
Contingency/civic facilities <sup>6</sup> }			
Other <sup>7</sup> }			
	<b>1,031</b>		<b>1,031</b>

Source: Barangaroo Delivery Authority December 2009

Notes:

1. Estimate has since increased. Excludes the cost of fitting out the cultural space (amount to be finalised).
2. Represents refinancing of the loan from Sydney Ports Corporation for transfer of the Barangaroo land.
3. Contribution to Barangaroo Pedestrian Link, balance to be funded by the Department of Transport. The table does not include other transport costs such as the cost of three ferry wharves proposed for Barangaroo.
4. First estimate, since increased to \$62 million.
5. Estimate based on broad preliminary concepts. These are to be further developed and submitted to the Department of Planning for approval and subsequently tendered.
6. Estimate not disclosed because of its long term nature, and likelihood that much of it may not be realised until conclusion of the development in 2024.
7. Includes other developer and art levies, recovery of earlier development costs, developer funding of road upgrades and promenade costs.
8. First and second of nine fixed payments totalling \$103 million have been received by the Authority.
9. For an explanation of these variable payments.
10. Includes other developer levies and contributions.