

From: no-reply@planning.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PS ePlanning Exhibitions Mailbox](#)
Cc: [REDACTED]
Subject: Pyrmont Peninsula Place Strategy
Date: Friday, 11 September 2020 4:18:45 PM
Attachments: [teg-ceo-geoff-jones---submission-to-pyrmont-place-strategy-\(11-sep-2020.pdf\)](#)

Submitted on Fri, 11/09/2020 - 16:17

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Geoff

Last name

Jones

Council name

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Council email

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I would like my submission to remain confidential

No

Info

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Submission file

[teg-ceo-geoff-jones---submission-to-pyrmont-place-strategy-\(11-sep-2020.pdf\)](#)

Submission

Dear Madam/Sir

I am Geoff Jones, the CEO of TEG, Australia's leading live entertainment and international sport promoter. TEG also owns the lease for Qudos Bank Arena at Homebush, which is ultimately owned by the NSW Government.

I am writing to express my opposition in the strongest terms to a proposed "Madison Square Garden" style entertainment venue floated in a Ministerial press release announcing the Department's Pyrmont Peninsula Place Strategy.

TEG's objections are detailed in the attached letter. In short, as long-standing experts in live entertainment and sport, we are firmly of the view that; there is no underlying demand for a new indoor arena in Sydney, that such a proposal would not be in the best interests of NSW taxpayers, and that it would cannibalise existing Government-owned Venues.

We also wish to make the obvious point that the live entertainment and sport industry is currently in a fight for survival and trying to plan how it will rebuild after COVID, which has decimated revenues and destroyed value. Thus, the industry needs all the support it can get, not more new venues.

I attach TEG's letter/submission in full.

Yours Sincerely,

Geoff Jones

I agree to the above statement

Yes

{Empty}



NSW Department of Planning, Industry & Environment

11 September 2020

Re: Pyrmont Peninsula Place Strategy

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I am writing to express my opposition in the strongest terms to a proposed "Madison Square Garden" style entertainment venue floated in a Ministerial press release announcing the Department's Pyrmont Peninsula Place Strategy.

TEG's objections follow in detail below but, in short, as long-standing experts in live entertainment and sport, we are firmly of the view that; there is no underlying demand for a new indoor arena in Sydney, that such a proposal would not be in the best interests of NSW taxpayers, and that it would cannibalise existing Government-owned Venues.

We also wish to make the obvious point that the live entertainment and sport industry is currently in a fight for survival and trying to plan how it will rebuild after COVID, which has decimated revenues and destroyed value. Thus, the industry needs all the support it can get, not more new venues.

By way of background, many of the following points will be familiar to Infrastructure NSW, which received a detailed submission from TEG in 2017 in response to its Feasibility Study for a new indoor Arena in Sydney CBD. TEG, along with many other companies in the live industry, objected to that proposal in the strongest terms, and the concept was, we thought, abandoned. We are therefore alarmed to see that a similar concept has again been floated, albeit in a different but nearby location.

We are making today's submission following conversations TEG has held in the past week with Lee Mulvey, the Project Director, and Michael Bishop, Senior Policy Adviser to Rob Stokes, Minister for Planning and Public Spaces, who both recommended that we make a submission in writing.

Whilst I understand from those helpful conversations with Lee and Michael that the concert/sporting arena idea is preliminary and "aspirational", I also note that the Place Strategy – on page 58 – refers to "investigating the establishment of new entertainment, events and cultural space in the redevelopment of Blackwattle Bay to support a vibrant 24-hour entertainment and cultural precinct."

I wish to be very clear that TEG is a big supporter of the NSW Government and is in broad agreement with the direction and stated intentions of the Department's Pyrmont Peninsula Place Strategy, however, we strongly object to - and advise against - any aspirations for an arena in Pyrmont on the following grounds.

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- **Sydney already offers a diverse range of venues that cater for all genres and size of sports and entertainment content:**
 - There are a large number of indoor venues located in the Sydney drive market (Newcastle and Wollongong) and in Sydney
 - These venues cater for events ranging from less than 1,000 people to over 20,000. In particular, Qudos Bank Arena, and the First State Super Theatre at the \$290m redeveloped International Convention Centre (ICC) offer facilities that can cater for indoor sports content of all sizes
 - The optimal capacity for Qudos Bank Arena is 12,000 however it accommodates from 5,000-21,000 due to its sophisticated curtaining system. The First State Super Theatre has capacity for 8,000 seated, or 9,000 in general admission mode
- **The existing venues are significantly under-utilised:**
 - Qudos Bank Arena, Sydney's most functional arena, operates at average utilisation of 20%, with significant availability throughout all months of the year and days of the week
 - In addition, the First State Super Theatre has significant capacity available to host all genres of content and has proved a popular, centrally located arena for live content
- **A new arena is not commercially viable based on sporting content alone** - there is not enough sports content to make a new arena commercially viable:
 - Tier 1 sporting content requires +12,000 capacity to be commercially viable: The major current indoor arena sports in Sydney are the international events (including US ice-hockey, Aus-X Open (supercross), and new sports such as E-sports) and the major domestic sports (including basketball and netball)
 - International sporting events require significant investment from the promoter (often TEG) to bring the teams out to Australia and require attendance in excess of 12,000 to make the events commercially viable. Therefore, international events will never use a new 7,500-12,500 indoor arena
- **Other sporting content can choose from several venues already:**
 - Sydney, Australia does not have a well-developed indoor court sport market, and infrequent events such as the volleyball, badminton and table tennis are adequately served by existing venues including the NSW Sports Centre and the ICC

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- While these smaller sports would like a new indoor arena, they will never be able to commercially justify a new arena because their actual usage of this space will be infrequent and unlikely to attract crowds sufficient to generate the required profitability
- **There is no more Tier 1 and Tier 2 sports content coming to Sydney:**
 - The only major court event that Sydney does not host is the Australian Open. This event is held every year in Melbourne, and Victoria has invested heavily in upgrading the facilities to continue to secure the event. Construction of a new indoor Sydney arena would not move the event from Melbourne to Sydney
 - N.B. Any proposal for an ATP tournament in early January in Sydney 2021 should be rejected by the NSW Government. Leading tennis players enjoy rare and precious holidays from the gruelling circuit with their families and friends at that time of year and such a tournament would be a non-starter
- **A new arena that relies on entertainment content to make it commercially viable would significantly cannibalise other venues:**
 - As outlined above, we strongly believe that a new arena would not be commercially viable based on sports only
 - There is no gap in the Sydney entertainment venue market, and as outlined above, all of the venues are operating under capacity. The NSW Government would run the risk of placing existing venues under significant financial pressure if it were to proceed with any proposal, as Sydney has witnessed twice, through both Qudos Bank Arena (then the Sydney Superdome) and the Sydney Entertainment Centre, being placed into administration at points in their history
 - This financial pressure will be multiplied in the post the COVID-19 pandemic (where audiences, artists and promoters are significantly less well capitalised than they were prior)
- **Tier 1 entertainment is migrating to large outdoor stadium tours rather than multiple indoor arena tours:**
 - Recent trends in concert touring are already placing Australian concert venues under pressure as Tier 1 entertainers are choosing to perform one to two shows at outdoor stadia rather than 10 shows at indoor stadiums as in prior years. That trend is expected to continue, further diminishing the need for a new arena
- **Sydney needs investment in a sports and entertainment hub to compete against Melbourne, rather than in an ad hoc piece of infrastructure in an “iconic” location:**

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- In the fight for Tier 1 sporting content, Melbourne is Sydney's biggest competitor and has invested heavily in the Melbourne Olympic Park precinct to attract content away from Sydney
- Melbourne Olympic Park offers a range of interconnected venues and entertainment options making it an attractive option for a range of content which is utilised throughout the year. Sydney needs to bolster its sports and entertainment hub if it wants to compete with Melbourne
- This investment must be made into improving the Sydney Olympic Park precinct, rather than investing in a new dislocated arena. Sydney Olympic Park was designed to compete with Melbourne Olympic Park and has Sydney's best indoor and outdoor venues but needs a further upgrade
- **Our Recommendation to the NSW Government** in response to its 2017 Feasibility Study for a new indoor Arena in Sydney CBD pointed to several other areas that would benefit from additional investment:
 - Investment in grassroots sporting facilities to support the further growth and development of the competitive court sports industry in NSW and Australia
 - Investment in improving facilities where there is projected population growth in West and North-West Sydney
 - Invest in Qudos Bank Arena to enhance the Sydney Olympic Park precinct
 - Investment in a roof over the NSW Tennis Centre to provide an additional venue for Tier 2 and Tier 3 indoor events. We do not believe that this is necessary from a capacity perspective, however, will provide a year-round venue for Tennis and other smaller indoor sports. It is also located in the Sydney Olympic Park precinct, enabling its use as a training facility

Many of the above points will be familiar to Infrastructure NSW, which rightly chose to abandon a concept of a new indoor Arena in Sydney CBD in 2017. We trust that, after considering these points, and considering the current crisis our industry faces, the Department will reach the same conclusion.

If I can provide any further details or you wish to discuss this matter further, please do not hesitate to contact me at geoff.jones@teg.com.au or 02 9266 4010.

Yours sincerely



Geoff Jones
Chief Executive Officer

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