Attachment A

Letter from City of Sydney to Business Sydney dated 18 August 2026

CITY OF SYDNEY

City of Sydney
Gadigal Country
456 Kent Street
Sydney NSW 2000

+61 2 9265 9333
council@cityofsydney.nsw.gov.au
GPO Box 1591 Sydney NSW 2001
cityofsydney.nsw.gov.au

18 August 2026

Our Ref: OLM2026/005327-03
File No: OLM000010

Daniel Hunter
Chief Executive Office
Business NSW
By email: [redacted]

Dear Daniel

Concern over accuracy of Business Sydney Executive Director Paul Nicolaou's comments on new square at Sydney Town Hall

As a member of Business Sydney, I write to express concern about the way your Executive Director has been repeatedly and publicly spreading misinformation about the City of Sydney's Town Hall square project.

Of course, it is Mr Nicolaou and anyone's prerogative to agree or disagree with the project and have their own opinions about it.

That is not the issue.

My concern is that Mr Nicolaou is inaccurate when he speaks publicly about the project. Sensationalism spreads easily and can divide communities along false lines. Truth in public discourse is a standard we should not so easily give up and should be expected from our peak bodies.

I wish to correct the following assertions made by Mr Nicolaou:

- **Extreme disruption, road and public transports closures:**
  "We cannot justify creating years of chaos and disruption in the very heart of Sydney, at a location where trains, light rail, the Metro, pedestrians, workers and visitors already converge. The impact could be enormous. Sydney businesses have already endured significant disruption from major infrastructure projects. They should not be asked to absorb another prolonged period of chaos for a project that can be reconsidered. We should be protecting movement and economic activity, not creating a construction bottleneck."
  Daily Telegraph, 14 August 2026

  There will not be "years of chaos". We do not expect this project to be any more disruptive that any other construction project in the CBD. Since the light rail has been operating in George Street, there has been the demolition of multiple buildings, excavation and construction of 84,699 m² of floorspace. This includes the Salesforce Tower and the Poly Centre directly adjoining an operational light rail, which remained unaffected throughout.

There is currently 132,704 m² under construction along the light rail route, including One Circular Quay, adjoining the light rail on two side at George and Alfred Streets, and the deep excavation for the western portal of Metrowest and a 51-storey tower at Hunter and George Streets facing the light rail.

In addition, there is 102,978 m² of fully approved development yet to commence directly facing the light rail – including the demolition, excavation and construction of a 79-storey tower on the Events cinema site and a 44-storey tower on the Greater Union site; as well as a 10-storey development at 683 George Street adjoining. All were approved without the concerns that light rail or Sydney Trains would be adversely affected.

- **Investment and business impacts:**
  "Demolition of the Woolworths *building and a number of others would rip out what should remain the commercial heart of the city."*
  "Losing the commercial heart of the city, including the Woolworths outlet, would be a backward step when we need to encourage more people to live in the city."
  Nine.com.au, 9 July 2026

  Investing in the city centre is great for business. The transformation of George Street into a people-friendly boulevard has led to over $8 billion in private development investment so far.

  Now a destination in its own right, George Street is home to shops, bars, restaurants and sought after commercial addresses. The new square builds on this success, drawing more people to visit the precinct, stay longer and support local businesses.

  We know Sydney's city centre is an economic powerhouse.

  Through rezoning under the Central Sydney Planning Strategy, the City of Sydney has created capacity for an additional 1.6 million m² of business floor space, that has the potential to accommodate over 50,000 jobs. So far, the City has approved more than 900,000 m² of this capacity.

  We've got more than 22,000 businesses in the local area, we welcomed almost 3.5 million international visitors to the city in the last year, and about 1 million people a day, live, work, visit and study in the City of Sydney.

  The constant flow of residents, workers, visitors and students drives a dynamic economy with impacts beyond the city centre itself.

- **Job losses:**
  "1,000 jobs will be lost"
  Nine News, 11 August

  The claim that 1,000 jobs will be lost as a result of this project is misleading.

  This figure does not accord with the City of Sydney's Floor Space and Employment Survey, so it is unclear how it has been calculated. We know that 175 City of Sydney employees make up a portion of the people working on the site, and all of those staff will be relocated with their operations to alternative premises. We have also worked directly with several small businesses affected by the project to help them relocate into other City-owned properties.

  If the majority of the remaining figure is intended to represent Woolworths employees, it is simply wrong to assume that the closure of one store means those workers must lose their jobs.

Woolworths is one of Australia's largest companies, with more than 200,000 employees nationally and a substantial network of stores across Sydney, including in and around the CBD. The company has also been aware for decades of the City's long-term plans for a public square at Town Hall, and its current lease contains a demolition clause.

Given current CBD vacancy rates, we are confident there will be opportunities for Woolworths to secure alternative premises in or around the Town Hall precinct if it chooses to do so.

Most importantly, Woolworths should give its employees certainty. It should commit to protecting the jobs of staff affected by the closure, whether by relocating the store, redeploying employees to other nearby locations, or providing them with other suitable roles across its extensive network.

The City's project does not require 1,000 people to lose their jobs. Suggesting otherwise wrongly treats the closure of a premises as the inevitable termination of its workforce. That is a decision for employers, and a company of Woolworths' size and resources should be in a position to ensure its workers are looked after.

- **Development application process:**
  …pointed to a "flawed local planning process" where "council should not be allowed to mark its own homework".
  Daily Telegraph, 13 August 2026

  When the Development Application is lodged through the planning portal, it will be assessed by an independent planner. A report will be prepared for consideration by the Central Sydney Planning Committee.

At their Corporate, Finance, Properties and Tenders Committee meeting on 17 August, Councillors discussed the proposal for the City of Sydney to renew its membership of Business Sydney. To assist them to make their decision at their Council meeting next Monday, they have asked me to clarify with you:

- On what basis are the views as expressed by Paul Nicolaou representative of Business Sydney members?
- Who did Business Sydney consult with to inform these views?

I also seek clarification on Business Sydney's position on development in the city further to the concerns raised about assumed disruption from the Town Hall square project.

Yours sincerely

P. M. Barone

Monica Barone PSM
Chief Executive Officer