

WORLD SQUARE

FROM CEREMONIAL GROUNDS TO INTERNATIONAL PRECINCT

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WORLD SQUARE HISTORY FOREWORD

Rarely does one city block incorporate so much of a city's story as does the site we now call World Square.

For countless generations, it was a ceremonial ground for the indigenous people of the Sydney region. From the earliest European times, its clay soils provided the raw material for the first permanent buildings, earning it the name of Brickfield Hill.

As the city evolved, the nearby markets attracted Chinese workers who settled the area around Goulburn Street as Sydney's original Chinatown. Later, the establishment of the railway network brought eager shopkeepers to the southern end of town.

In 1856, the Hordern family moved to the Haymarket and began consolidating a number of small sites into a substantial emporium. Following a major fire in 1901, the company built the massive New Palace Emporium on Brickfield Hill that by 1915, stretched across half the block, with frontages on George, Pitt and Goulburn Streets.

Many Sydneysiders remember the company's emblem of a huge spreading tree with its proud motto, "While I live, I grow".

But the store, with its polished marble, embossed ceilings and elaborate woodwork, was demolished in 1987 and for almost a decade, the site remained one of Sydney's largest black holes.

Terri McCormack's history has drawn on the City of Sydney archives as well as extensive interviews with protagonists to recount this rich part of our City's history from the earliest times through to its transformation from a black hole into a thriving centre for the 21st century city.

I am pleased to see this important part of our story recorded.

Clover Moore, MP
Lord Mayor of Sydney



CHAPTER 1

IN THE BEGINNING THE FIRST PEOPLE ON BRICKFIELD HILL

In the twenty-first century, World Square is a commercial, residential and retail development occupying a whole city block bounded by George, Goulburn, Pitt and Liverpool Streets. Most Sydneysiders recall this site as a huge construction hole sitting in the centre of Sydney for nearly a decade from the early 1990s. Others have memories of the grand old Anthony Hordern emporium that flourished here for 80 years from 1905. However, few would be aware that this was once a place of great significance for the earliest custodians of this land.

Long, long before the First Fleet landed at Sydney Cove in January 1788, Aboriginal people were camping and hunting in the area that became World Square. George Street now runs along one side of this area, following an ancient Aboriginal trading route stretching from the fishing grounds at Warrang (Sydney Cove) down the hill to the grasslands further out towards present-day Newtown and Petersham.

The people inhabiting this land were the Dharug-speaking Gadigal (or Cadigal) clan or band, people of the Cadi territory extending on the eastern side of Port Jackson from South Head to Petersham. Local Aboriginal people used the word “Eora” to describe where they came from to the newly arrived British and it became a generic name given to coastal Aborigines around Sydney. The twenty-nine or so clan groups of the wider Sydney region were associated with specific areas of land and were distinguished by body decorations, songs and dances, and tools and weapons.¹

The Eora people had lived in the Sydney vicinity for at least 40,000 years before the Europeans arrived. Their population had risen to 3,000 when Captain James Cook briefly visited Botany Bay in April 1770. Governor Arthur Phillip estimated there were about 1,500 Aboriginal people within a ten mile radius of Port Jackson when he arrived in 1788.

Governor Arthur Phillip came with instructions to treat the native inhabitants well and initially relations between whites and blacks were cordial enough. The Aboriginal people were happy to barter fish for the potatoes, tea and other gifts given to them. Before long, however, the Gadigal – who had used the area east of Darling Harbour as hunting, fishing and ceremonial grounds for generations – found their lifestyle changing. At the southern end of the tiny British settlement, brickworks and a village were set up and a rough man-made track was formed from Sydney Cove, straight through Gadigal territory. This track would later become George Street.

The area of southern George Street, near the World Square site, held great significance for the original inhabitants. Traditionally, groups went to other clans’ areas to settle disputes. One such fighting ground for the Gweagal people from

(*OPPOSITE*) In this 1817 painting by Joseph Lycett, an Aboriginal family walk through their land with the emerging township of Sydney in the distance behind them.

(NATIONAL LIBRARY OF AUSTRALIA)

(*RIGHT*) This painting of the first contact between the Eora people and the British of the First Fleet appears in the journal of Lieutenant William Bradley, RN, of HMS *Sirius*.

(MITCHELL LIBRARY, STATE LIBRARY OF NSW)





CHAPTER 2

MORE THAN JUST A PENAL SETTLEMENT

A VILLAGE BECOMES A CITY

Charles Darwin, the famous naturalist, described the town he visited in the 1830s: “In the evening I walked through the town and returned full of admiration for the whole scene...the number of large houses just finished and others building is truly surprising – nevertheless everyone complains of high rents and the difficulties of procuring a house.”¹ Industries and businesses of all types flourished and Sydney was no longer just a penal settlement, although many a businessman was a former convict or descended from one. It was time to break away from British control, but to achieve self government the convict system had to go – and with it a lot of cheap labour. After much controversy, convict transportation to New South Wales ceased in 1840.

The principal shops, many two-storied, were confined to George and Pitt Streets. By the time the visitor reached the waste space of the old Burial Ground in George Street (now Sydney Town Hall), the heart of the town had already been passed. By the late 1830s, Brickfield Hill had been partly levelled. Over one million cubic feet of debris, much of it sandstone, was removed by convict labour and used to reclaim Dickson's Pond at Hay Street. John Dickson established a Steam Mill here in 1813 and some say Dixon Street, in contemporary Chinatown, was named after him.²

As the town expanded southwards, land was reclaimed around Cockle Bay (renamed Darling Harbour in 1826) and Brickfield Hill. This became an increasingly active area as flour mills, factories, breweries, foundries, tanneries, shipping businesses and quarries sprang up and cheap housing was built nearby to accommodate the workers. A hodge-podge of wooden houses tumbled down Brickfield Hill, many on wooden wheels so people could move to more convenient or profitable locations.³

Most shopkeepers lived with their families above the shop. Wares were displayed on the pavement, with a dog-walloper on hand to beat off passing dogs that might foul the merchandise. These lowly assistants, often children, also rushed bolts of fabric back inside the shop when the scorching summer Brickfielders deposited red dust all over town.⁴

(OPPOSITE) John Rae's 1842 watercolour shows a horse cab passing George Street fruit stalls on the right, just south of Bathurst Street. The future World Square is the second block on the left.

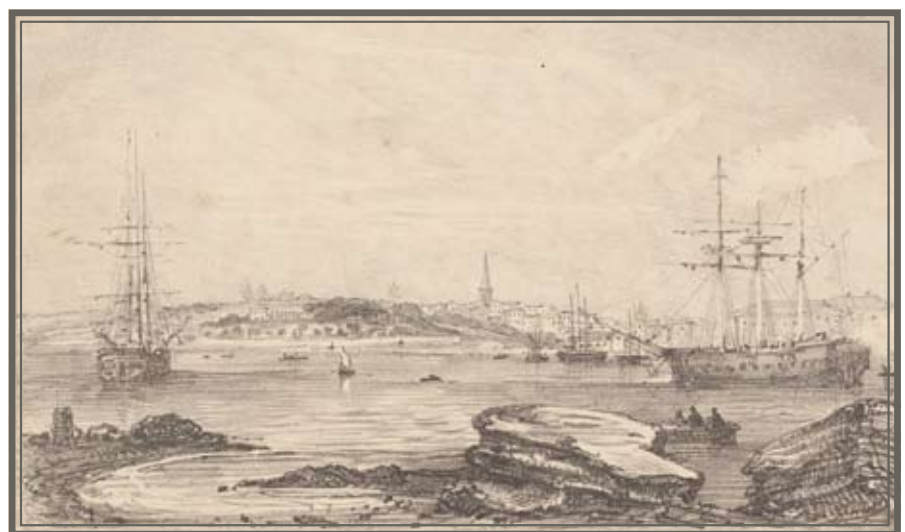
(DIXSON GALLERIES, STATE LIBRARY OF NSW)

(RIGHT) This map shows that Liverpool and Goulburn Streets had been formed and named by 1837. We can see a sprinkling of structures around the block bounded by these streets, George Street, and Upper Pitt Street.

(DIXSON GALLERIES, STATE LIBRARY OF NSW)

(BELOW) In Robert Russell's lithograph of Sydney from the north shore, taken in 1837, Sydney Cove has become a busy place with vessels of all sizes plying back and forth. The spire of St James Church in King Street rises in the centre background.

(NATIONAL LIBRARY OF AUSTRALIA)





CHAPTER 3

THE CHINESE CONNECTION WORLD SQUARE AND CHINATOWN

Sydney has been a multicultural city for a long time. By the 1880s, the largest non-Anglo Saxon group was the Chinese. Despite harsh restrictions placed on Chinese entry into the country in the nineteenth and much of the twentieth centuries, Australia has a long history of Chinese migration and settlement.¹

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HOW MANY CHINATOWNS?

1858 – c. 1870: *First Chinatown:* Sydney's First Chinatown was in Lower George Street in The Rocks area. Chinese boarding houses and produce stores supplied Chinese men going to the goldfields. Others set up as merchants, importers, tailors, and cabinet makers.

1869 – c. 1900: *Second Chinatown:* Chinese market gardeners congregated around Campbell, Hay and Goulburn Streets, near the Belmore Markets (currently the Capitol Theatre). They spread into Surry Hills until around 1900 when whole streets of Chinese homes and shops were demolished in Council's slum clearances.

c. 1910 – 2008: *Third Chinatown:* Chinese moved further west towards the markets and Ultimo. Many businessmen and clan associations (Tongs) acquired property in Dixon Street, the centre of today's Chinatown, although most Chinese now live elsewhere.

Older Chinese people describe the current Chinatown as a winding dragon with its head in Campbell Street, its body curling up Ultimo Road, and its tail in Dixon Street.⁵

(OPPOSITE) The vegetable hawker was the predominant image of Chinese in the late nineteenth century. From 1869, Belmore Markets attracted Chinese market gardeners, merchants, and shopkeepers to the neighbourhood. Chinese market gardens moved further out into the suburbs and some still supply new generations of Sydney residents with Chinese vegetables.⁶

(MITCHELL LIBRARY, STATE LIBRARY OF NSW)

(RIGHT) Kwong Chong's boarding house was one of several in the Durand's Alley area catering to Chinese market gardeners. In this photo of the rear of his premises at 417 Pitt Street, trays of food are drying in the sun.⁷

(MITCHELL LIBRARY, STATE LIBRARY OF NSW)

CHINESE ON WORLD SQUARE

By the 1880s, the area north of the Haymarket consisted of Chinese shops, workshops, and houses fronting Goulburn and Pitt Streets. Narrow laneways ran haphazardly behind the main thoroughfares, some ending in closed courtyards. An eating house was usually attached to lodging houses, adding the aroma of Chinese food to the exotic mix. Over a century later, Asian food smells still pervade the area and workers on the World Square construction site are alleged to have demanded extra lunch money because it was all so enticing.

In 1891, there were twenty-five Chinese gambling houses on the current World Square site in Goulburn Street, with many also supplying opium. Numbers 50 and 52 were cook-shops with tiny eating rooms out the back. Both had a fan-tan table and lottery agency and an upstairs room at number 52 was used for opium smoking.⁸

Number 56 Goulburn Street was Goon Hing's big store, also a celebrated gambling house, with a lottery agency, a small compartment with two opium beds, a fan-tan table, and crowded sleeping apartments. Numbers 60 and 62 were both gambling houses with a lottery agency in front, a fan-tan table in the rear and opium rooms upstairs. Number 62 in particular was heavily barricaded with timber and iron bars.

Around the corner at 411 Pitt Street, Hop Lee had a large two-storey house with upstairs lodging. Downstairs there was a gambling room catering to Chinese gardeners, butchers and hawkers.

Chinese in Sydney were known for their cabinet-making skills. This was not surprising as most came from Guangdong in southern China, noted for its fine furniture since the early seventeenth century. Chinese furniture makers arrived from 1827 and, by the 1880s, a quarter of all cabinet-making workshops in Sydney were Chinese. They used traditional Chinese hand tools to reproduce contemporary Victorian designs for simple household furniture. Some supplied





CHAPTER 4

ANTHONY HORDERN & SONS

“THE UNIVERSAL PROVIDER”

Before World Square, the Anthony Hordern Emporium stood on the same site from 1905 until 1987. It was a huge retail store with humble beginnings. In March 1825, Ann and Anthony Hordern (1788–1869) stepped ashore from the *Phoenix* at Sydney Cove with their four young children. Anthony opened a business as a wheelwright and coachbuilder at 17 King Street, while his wife opened a shop on the street front as a haberdasher and bonnet maker. Ann Hordern was a skilled artisan and a capable businesswoman. By 1844, Anthony Hordern had abandoned coach making and joined his wife in her successful drapery business. This was the first of many Hordern stores in Sydney.¹

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DECLINE OF A LANDMARK

Sydney's retailers depended on public transport to get customers to their stores. From the 1860s, experiments were made with horse-drawn, steam and cable trams. With the opening of Pyrmont Power Station in 1904, the cleaner and cheaper electric trams provided a mass urban transport system.¹¹

When, after decades of planning, the City Underground Railway was completed and the Harbour Bridge opened in 1932, the CBD again moved north. At the same time, tram routes were altered from George to Pitt Streets. In 1933, Horderns remodelled their entire store to provide a Pitt Street entrance to attract tram passengers as well as customers from the new station at Hyde Park.

When buses replaced trams in the 1960s and bypassed the Brickfield Hill part of George Street, the southern CBD was already in decline. The railway and the Bridge sounded the death knell for the store and the private motor car added the final touch. When the American-style shopping mall appeared in Australia's suburbs, there was no need to go to town. The company was feeling these pressures by 1957 when it recorded the lowest level of profit in 21 years. Struggling with high Council rates and a new land-tax, they were forced to lease out a substantial portion of their retail area. They also merged with Hordern Brothers Ltd, their rival company whose mid-city store was increasingly profitable.¹²

In the early 1960s, Horderns built a car park to lure shoppers back to their Brickfield Hill store. A huge section of Goulburn Street was excavated for a six-storey park for 350 cars. It was a test of construction skills to replace the original cast-iron columns and several brick walls with new steel structures to carry the load and to build new supporting columns for the landmark tower. In 1963, the Brickfield Hill store was profitable for the first time in years, largely due to the car park, but it was a short-term solution.¹³

By the mid-1960s this southern part of the CBD was shabby and neglected. It was Sydney's version of Skid Row with drunks, derelicts and prostitutes deterring shoppers. One by one the big stores closed or moved. At nights and weekends when workers commuted to their suburban homes, the whole CBD became a bitumen desert. It wasn't until 1967 that restraints were lifted on the construction of inner city residential buildings, allowing architects to design mixed-use buildings in the European style.¹⁴

In September 1965, Anthony Hordern and Sons submitted an application to Council to construct a 42-storey building on their Brickfield Hill site, a brave move considering they had just announced a net loss of £96,334. Apart from the Opera House, it would, at £9.75 million, be the most expensive building project in central Sydney. With its natural elevation, it would also be Sydney's tallest building, higher than Harry Seidler's 46-storey Australia Square then under construction. The new structure would incorporate a car park, retail area and pedestrian plaza and provide thirty-one floors of commercial space and three floors of residential accommodation. It would, said Managing Director Frank Munro, be "a city within a city". The development was strikingly similar to the later plans for World Square. And, like World Square, the original plans never left the drawing board.¹⁵

As the first phase of their development, Anthony Hordern & Sons opened their new \$500,000 Home World store in July 1966, which became Sydney's largest homewares emporium. Large areas of unused space were leased out, but the company still struggled to make a profit, with the store remaining the company's main problem as well as its most valuable asset.¹⁶

(OPPOSITE) The Anthony Horderns store was decorated for special occasions. In 1938, in an exhibition called "Cavalcade of Empire", photographs representing the nation's progress celebrate the sesquicentenary of European settlement.

(NATIONAL LIBRARY OF AUSTRALIA)

(ABOVE) A tram passes between Horderns' Pitt Street entrance and the Civic Hotel (now Hotel Ibis World Square) as it turns into Goulburn Street in 1953.

(CITY OF SYDNEY ARCHIVES)



CHAPTER 5

HIGH HOPES – THE 1980s

WORLD SQUARE BEGINS

From the mid 1980s, Sydney was preparing for the 1988 celebration of 200 years of European settlement. Dozens of office and retail developments were planned to raise the city's profile. The biggest private project of the decade was the Anthony Hordern site, a development funded by Malaysian investors that was expected to revitalise the rundown southern CBD.¹

The exodus of British investors and the deregulation of financial and banking markets in the 1980s created an influx of investors from Japan, Hong Kong, Singapore and Malaysia, attracted by the prospect of long-term capital appreciation and political stability in Australia. To understand the Asian involvement behind the World Square project, one must unravel a tangled web of inter-related companies in a constant state of restructuring and realigning.²

Ipoh Garden Berhad (IGB) was a Malaysian-listed development company founded in 1964 by wealthy businessman Dato Tan Chin Nam and his brother Tan Kim Yeow, patriarchs of the powerful Tan family. Today the company trades as IGB Corporation Berhad and is run by the children of the founders. One of IGB's first offshore forays was to buy and develop the Queen Victoria Building in Sydney under a company called Ipoh Garden Australia or IGA. In May 1981, IGB, through their managing director Yap Lim Sen, bought the Anthony Hordern building with Kings Parking Company holding a ten per cent equity.³

Ipoh Garden (Australia) Pty Ltd (IGA) was a wholly owned subsidiary of IGB Corporation until December 1987 when IGB sold 10 per cent of its shares to staff and others. IGA was listed on the Australian Stock Exchange in June 1988. Six months later, IGB sold 9.1 per cent of its stake in its Australian subsidiary for \$5.5 million. By March 1993, it was 48 per cent owned by IGB. IGA had no direct equity in World Square but, by 1990, held a 4.9 per cent stake in the project through its wholly owned subsidiary Resadi Pty Ltd. From 1988, the site was financed by a syndicate led by the Commonwealth Bank.⁴

The development was to be carried out by Brickfield Hill Properties Pty Ltd, an associate of IGA, with Gerald Leavy as project manager. On 7 January 1982, Sir Ronald A. Irish, Tan Kim Yeow, Dato Tan Chin Nam, Yap Kim Kee, Grant Sansom, James William King, and Yap Choon Seng joined Jim Barrett and James King as directors. Sir Ronald Irish OBE provided a link with the past, having previously been chairman of the board of Anthony Hordern and Sons when that company was seeking to redevelop the Brickfield Hill site in 1962. Bertie Mun Kwong San was appointed secretary on 1 November 1982.

The major shareholder in Brickfield Hill Properties Pty Ltd in October 1983 was Singapore-based Ipoh Garden International (IGI) and other shareholders

(OPPOSITE) In 1986, the Anthony Hordern store was still being reduced to rubble. By May 1987, the heritage-listed building was gone and development could begin.

(JOHN TIPPER)

(RIGHT) "I can die a happy man", said Dato Tan Chin Nam, IGB founder, as he held aloft the Melbourne Cup, won by his horse Saintly on 10 November 1996. He won again in 2008 with Viewing. Leading trainer Bart Cummings helped him fulfil his dream to win "the ultimate people's race". He is the only horse owner to have won four times, having succeeded in 1974 and 1975 with Think Big. He named that horse to reflect his aspirations of breaking into the Australian market.

(MARK WILSON / FAIRFAX PHOTOS)





BEHIND THE HOARDINGS

As they had for years, hoardings surrounded the entire World Square site in the late 1980s. Passers-by were annoyed in July 1989 when the 40 holes in the hoardings were covered over. The builders explained that these were sighting holes for the surveyors, not the general public, and that people were jeopardising the safety of workmen 30 metres below by dropping objects through them. There were plans to cover them with transparent plastic to satisfy curious Sydneysiders.³⁰

Behind the temporary façades there wasn't much to see, although work below ground level was proceeding. Bulk excavation by Ward Civil Engineering Pty Ltd began on 18 July 1987. A month earlier an archaeological investigation revealed that no archaeological deposits survived, apart from a possible well in Swan Lane and evidence of a stream passing diagonally through the site.

Some of the old foundations on Goulburn Street had to be demolished before excavation commenced. To prevent subsidence, all four sides of the site – about 2,000 square metres – had to be shored up. As work progressed, rock bolts and rock anchors were used to secure the excavated rock face adjacent to George Street. Three to four excavators and 100-tonne bulldozers were in daily use to rip into the high-strength rock. Forty to fifty trucks continually transported excavated material for use on the refurbishment of Wharves 6/7 at Walsh Bay.³¹

The size, depth and location of the site produced several major problems. Frequent rain caused the hoardings to move and the cracking of the perimeter pavements in Goulburn and Pitt Streets was a recurrent problem requiring remediation. The underground railway passed under the north-east corner, only 5 to 10 metres from the 28-metre-deep excavation. Wards set up high tension bars to lock the brick structure in place but, in 1989, the depth of the excavation was enough to crack the lining of the tunnel. Monitoring devices installed around the excavation by the State Rail Authority showed the stresses were great enough to affect neighbouring buildings and tunnels. SRA subsequently placed strict controls on the development of sites next to its tunnels.³²

There was also the problem of the main city sewer line passing diagonally through the site. It had to be re-aligned to free up valuable basement space. This diversion entailed the excavation and lining of a 150-metre-long tunnel beside the railway tunnel on the north-east corner.³³

By November 1988, Wards had broken all excavation records for the city. A 350-metre hole, 25 metres deep, had been excavated. In a major engineering project in the 1830s, convicts had levelled nearby Brickfield Hill by removing over one million cubic feet of sandstone. By March 1989, Wards had easily surpassed that feat by trucking out some 454,352 cubic metres of soil and rock to various landfill dumps. To remove the access ramp once the hole was finished, they invented a skip hoist elevator system.³⁴

While excavation was still proceeding, the construction teams had moved in. The stage was set for the largest private development in Australia – a city within a city – in one of Sydney's biggest holes.

(OPPOSITE) The huge hole excavated by Wards for the World Square development encompassed an entire city block.

(WARD CIVIL & ENVIRONMENTAL
ENGINEERING)



CHAPTER 6

ON THE CONSTRUCTION SITE BOSSES AND WORKERS

World Square covered a total site area of 19,296 square metres and a gross building area in excess of 42,000 square metres. Four light-coloured, juxtaposed towers of varying heights would rise from a central podium. Michael O'Young, consulting engineer with Meinhardt and Partners, announced in May 1987 that the three smaller towers would be made of concrete, with curtain walls and a central core construction. A steel-frame structural system was being considered for the 56-storey tower.

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Premier Greiner sympathised with World Square management, saying this sort of union action reinforced the need for an enquiry into rorts in the building industry. The unions were convinced that, for financial reasons, management wanted to close the site and blame it on the unions, and certainly World Square Pty Ltd appeared to be blocking any quick settlement of the dispute. Even though the IRC warned that the shutdown could grow into a national dispute, World Square Pty Ltd challenged the Commission's jurisdiction with an appeal to be heard by the full bench on 10 September. To the unions, confident that they had done the right thing by seeking to negotiate rather than strike, these delaying tactics were an attack on the arbitration system itself. They were further infuriated when, on 20 July, the contract labour agency Troubleshooters expressed interest in replacing the sacked workers.²²

Construction wound down as the normal work load was reduced to a minimum and subcontractors removed their materials. The final act was to be a 16-hour concrete pour on 27 July. As one Sydney builder said, "You might as well get as much done as you can, even if the job is going to be locked up for ten years". Anticipating last-minute union disruption, however, management cancelled the pour.

At 11 am on 31 July 1990, World Square officially closed and the sacked workers drank beer and cursed management as they waited for their final pay packets. "We have been used as scapegoats", said Don Smith, the last man off the site, "unjustly sacked, for something that's gone on behind management's closed doors". At a short hearing of the IRC on 6 August, World Square said there was no prospect of reopening the site.²³

THE ASIAN INVESTORS

Union delegates were highly critical of the Asian investors behind the huge project and their attitude to Australian workers. The closure of the site was seen as an attempt by Ipoh to smash Australian unionism. Union leader Joe Owens says the project delegate system worked at Darling Harbour – a government project – but not at World Square because it was run by a private Malaysian company. While he holds the unions largely responsible for the closure, former project director Gerry Leavy concedes that Ipoh had unreasonably high expectations.²⁴

Ten mainly Asian investors had poured about \$230 million into the project. As well as the overseas equity, the project had run on a \$120 million funding package from a Commonwealth Bank syndicate which, after two renewals, expired on 15 June 1990 with little chance of further funding. According to the Asian press on 17 July 1990, Ipoh and their Australian off-shoot World Square Pty Ltd were prepared to walk away from the project if the dispute was not settled satisfactorily.

On 30 August 1990, the *Far Eastern Economic Review* reported that World Square had collapsed following a strike by thousands of workers protesting against "Southeast Asian sweat shop labour conditions" on the site. The same report suggested that this might be just the excuse needed by the Malaysian developers to exit the Australian property market without losing face. There was no reason for them to comply with the Australian industrial relations system when they could easily invest in the burgeoning Chinese market. This is denied by Dato Krishnan Tan Boon Seng, current CEO of IJM Constructions, who says Ipoh was committed to finishing the development.²⁵

Krishnan Tan Boon Seng admits that not everyone was happy to see Australia's iconic buildings bought by Japanese, Malaysians & Singaporeans but says that Asian investments were a boon, producing work for a lot of people.



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was no evidence of widespread corruption among union officials, there certainly was evidence of collusive tendering and cover-ups among contractors and multi-million dollar rorts by several large building companies.³¹

It was in the interests of both management and unions to broker a face-saving solution. In the last months of 1990, World Square executives and Ipoh's Dato Yap Lim Sen tried to negotiate a new agreement. John Fahey, NSW Minister for Industrial Relations, predicted that World Square would never be completed because unions would not accept the tight site management required. Meanwhile, the site was being mothballed.³²

WHY DID WORLD SQUARE CLOSE DOWN?

All the protagonists had been influenced by the speculative property boom of the 1980s. Management claimed unions were overly greedy, using industrial bans to secure such petty demands as T-shirts, sunglasses and suntan lotion. Unions said management had been blinded by the big profits on offer and had embarked on projects for which they lacked expertise and experience.³³

Financial deregulation in the 1980s made credit readily available to speculators, many of whom built office towers for a rapidly increasing white-collar work force. This resulted in a glut of office space in the early 1990s and many developers were caught out by the slump. In the six months to February 1990, vacancies had doubled and the CBD was full of partially constructed buildings soon to hit the office market.

By the end of May 1990, the real estate turnover in the Sydney office market was down 30 per cent. At least 20 major builders and contractors went broke in the first eight months of 1990. One was KBH, one half of the Joint Venture with IJM. Competitors and unions had accused KBH of lacking the personnel and expertise for a huge project such as World Square. Ghee-Soon Tan agrees that KBH was relatively unknown and says that IJM knew about building, but not the local conditions. Krishnan Tan Boon Seng of IJM confirms that his company had hoped to take a stake in KBH and grow the company, but that when KBH went under, it left IJM with all the responsibility and forced them to withdraw from construction work in Australia.³⁴

Inexperienced speculative investors, easy credit, inefficient management, aggressive unions, shocking weather, economic conditions – in hindsight, those who initially held the unions solely responsible now believe all of these factors led to the closure of World Square. “All the things that could go wrong did go wrong”, said Hubert Wulz of Schindler Lifts, whose firm suffered financially when the site closed. It was, he says, “an excellent example of how not to plan a major redevelopment”.³⁵

“My honest assessment of the project was that we were ahead of our time”, said Jim Barrett in 2007. “It was a great disappointment. It was going to be an icon of a development and it would have been great to develop it.”³⁶

The only thing not in dispute at the beginning of August 1990 was the fact that the developers themselves had closed down the biggest private construction site in Sydney, leaving a deserted hole in the ground.

(OPPOSITE) The World Square site in 1991 – work had ceased, leaving a couple of cranes, KBH/IJMs “World Class Office Tower” on the south-west quadrant on George Street, and a monorail station on Liverpool Street.

(GHEE-SOON TAN)



CHAPTER 7

BLACK HOLE OF SYDNEY WORLD SQUARE IN THE 1990S

Where cranes had been a feature of the Sydney cityscape in the 1980s, the abandoned building site looked like being the key feature of the 1990s. Commercial development had almost come to a standstill because of restricted lending, plunging asset values, and the collapse of leading developers.¹

World Square was the largest of the abandoned construction sites and came to symbolise the property boom of the late 1980s, brought to a halt by a glut of inner city offices and a severe recession. When expensive weatherproofing was installed to protect the existing formwork in late December 1990, the project seemed doomed. By 1993, World Square Pty Ltd had erected costly hoardings for which it paid substantial council fees. Managing director Jim Barrett said he had no intention of re-opening unless the economy showed real signs of improving, even though holding costs were \$14 million a year. His Malaysian backers could easily afford to sit out the recession. IGB paid \$864 per square metre for World Square, according to Executive Director Goh Nan Kioh. The land was now valued at \$10,800 per square metre. Ipoh, under new managing director Tan Boon Seng, still stood to make a profit.²

World Square was one of at least twenty-four stagnant building sites in the CBD. Unnerving reminders of the recession, these huge holes began filling with stagnant water, weeds and piles of rubbish. The Central Sydney Planning Committee realised too late that demolition of the Hordern building might not have been the way to go. "We are investigating ... regulations which will ensure that buildings are not demolished unless there is a strong possibility that something will be built in its place," said city planner John McNerney in July 1992.³

(OPPOSITE) This aerial view shows what World Square looked like on 31 May 1995, just as construction resumed. The abandoned lift core of the earlier development (later the Ernst & Young Tower) is surrounded by various car-park levels, while hoardings encompass the whole site.

(JOO KEE TAN)

(RIGHT) Premier John Fahey and Robert Webster, Minister for Planning, announce their economic rescue plan on 10 February 1993 at the World Square site. Restrictions on the construction of high-rise home units in the inner city were removed. Because of the lower ceiling heights for apartments, this would provide 25 per cent more floor space than office buildings – and more profits for struggling developers.

(ROBERT PEARCE/FAIRFAXPHOTOS)



Meanwhile, the craters were luring wildlife back into the city. Birds had taken over the World Square site, nesting on the tip of one of the remaining cranes and in the scaffolding on Pitt Street, and wading in the deeper parts of the hole. The monorail conveniently passed this and other abandoned sites, giving tourists a perfect vantage point to photograph the open-cut canyons in the middle of the city. “The monorail”, said Lord Mayor Frank Sartor, “is nothing more than a grand tour of holes in the ground.” Artists at the *Future City* exhibition in late 1992 suggested flooding the World Square site with water to create a giant jacuzzi and give surrounding office buildings instant waterfront views. Attractions could include canoe and gondola rides and perhaps a floating Chinese restaurant.⁴

OLYMPIC FEVER

On 23 September 1993, the International Olympic Committee in Lausanne, Switzerland, announced that Sydney had won the right to host the 2000 Olympic Games. NSW Premier John Fahey expressed the feeling of the nation as he leapt in the air with jubilation. Back home, there were more immediate concerns about the state of the Sydney CBD with its huge construction holes. Both Sydney City Council and the Building Owners’ and Management Association were cautiously confident that most would soon be salvaged.⁵

By September 1994, development applications were before Council for sixteen of the abandoned CBD sites. There were hopes that work would finally resume on the biggest hole of all after nearly four years of inactivity. The Malaysian IGB group remained committed to World Square and wanted to complete the partly finished car park. Their Australian arm, Ipoh Garden Australia (IGA), hoped to open their renovated Capitol Theatre in early 1995 and the extra car spaces would be in demand.⁶

On 24 February 1994, World Square Pty Ltd called for tenders to complete stage one – a 1,000 space car park and a multi-level podium of retail outlets, cinemas and entertainment facilities. The rest of the development would have to wait. Managing Director Jim Barrett warned that it could be a year before the construction of the car park rose above street level. Barrett himself left the project at the end of June 1994 to set up his own conservation business.⁷

By this time, the major investors were a consortium of private shareholders in the Ipoh Garden Berhad (IGB) group and Tan & Tan, listed Malaysian property developers, all holding shares in World Square Pty Ltd. In August 1994, fresh investors were sought to revive the development and World Square Pty Ltd was reorganised. Original investors became “B” shareholders with the option to invest in “A” shares, now held by new investors. One was Insas Berhad, a listed Malaysian property company with links to IGB and related company Tan & Tan, which purchased a 25 per cent interest in World Square Pty Ltd for \$18.5 million. In March 1994, Insas Berhad predicted that the project would be producing income within 12 to 18 months with the completion of 170,000 square feet of retail space and 600 parking bays. Another large investor, in February 1995, was Vincent Tan’s giant Berjaya Group with a cash injection of \$27.7 million, giving it a 37.5 per cent stake in World Square Pty Ltd.⁸

By April 1995, the Tan family owned 70 per cent of World Square Pty Ltd through their unlisted Singapore company IGI. Through Malaysian property developer IGB, the Tan family also controlled IGA which owned the Queen Victoria Building and the redeveloped Capitol Theatre. Accountant Bertie San had replaced Jim Barrett as managing director at IGA in mid 1994 but, like Barrett and several others, chose not to invest in “A” shares in the new company.⁹

Unlike the previous structure, all the new “A” shareholders were companies rather than individuals. World Square was Yap Lim Sen’s original vision and,

A STAGED DEVELOPMENT – THE 1995 MASTER PLAN

Stage 1:

A five-storey podium containing two floors of retail space, a hotel, conference, entertainment and cinema facilities. Internal pedestrian streets would lead to a central open piazza, which would be roofed over when the final tower was built. There would be monorail access to the building and the podium was expected to be completed at the end of 1997.

Stage 2:

This was a separate development owned by OSW Properties. It included the smallest of the three towers at 54 storeys and an L-shaped podium wrapping around the Pitt and Liverpool Street frontages. It was to contain a hotel and 130 serviced apartments. This development was first off the mark with an expected completion date of March 1999.

Stage 3:

This was the Goulburn and Pitt Street corner where another L-shaped building would rise above the podium, containing a hotel and apartments.

Stage 4:

A 50-level office tower was projected for this George and Goulburn Street corner.

Stage 5:

The tallest office building at 63 levels, Liverpool Tower was to be built on the George/Liverpool Street corner.



CHAPTER 8

THE NORTH-EAST QUADRANT

THE AVILLION HOTEL AND HORDERN TOWERS

Apart from the car park and monorail station, the first substantial structures to be completed at World Square were the Avillion Hotel and the adjoining Hordern Towers. Completed in 1999, these were built by OSW Properties Pty Ltd on the north-east quadrant. This had a different history from the rest of the block, most of which had been previously occupied by the Hordern emporium.



business travellers. The two blocks would share amenities such as food and beverage outlets and conference facilities, but there would be separate entrances and check-in arrangements for group tours and corporate clients.¹¹

THE NORTH-EAST CORNER TAKES SHAPE

The construction site presented several engineering challenges. It sits on a rock shelf over the underground railway line, limiting below-ground development and necessitating a site agreement with the State Rail Authority. Concrete Constructions had to dig out two levels before work began and the site had to be constantly monitored to avoid damage to the railway tunnel. Unfortunately excavation work, retaining walls and shoring had been done before council approval was granted and work had to stop until the compliance order was received.¹²

Before construction on World Square ceased in 1990, a monorail station had been partly built with access via stairs and lifts from Liverpool Street. IJM/OSW spent \$5 million relocating the access to Liverpool Lane as the street frontage was too valuable for a large monorail entrance. This was completed in September 1997 and the station passed back to World Square Pty Ltd. When Multiplex took over the World Square retail centre in August 2003, they paid OSW a peppercorn rent for the monorail site and it was Multiplex not OSW who derived income from adjoining shops.¹³

It was a very complex site with different sets of owners, each with their own rights over common retail and parking property, all of which required a lot of interconnectivity and negotiation. Seven levels of car park and the level eight loading dock are shared by the whole site. At one stage, OSW even considered

(OPPOSITE) On 7 June 1996, Joo Kee Tan, at left, managing director of OSW Properties Pty Ltd, launched the \$150 million Hordern Towers project at a ceremony attended by Lord Mayor Frank Sartor, Datuk Seri Rafidah Aziz, visiting Malaysian Minister of International Trade and Industry (centre), Dato Krishnan Tan Boon Seng, managing director of IJM Constructions, and the Malaysian Trade Consul in Australia.

(JOO KEE TAN)

(ABOVE) The monorail (seen here in October 1996) was built by the previous developers, but IJM/OSW had to move the access stairs from Liverpool Street to an internal lane.

(JOO KEE TAN)

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The solid core of Hordern Towers was visible by mid 1997, rising to a final height of 156 metres above two floors of essential services, six floors for parking, and a retail arcade. The first of 600 apartment dwellers took up residence in early May 1999, well before the official opening in September. Many of the 286 apartments were pre-sold by joint marketing agents Richard Ellis and Colliers Jardine with prices ranging from \$155,000–\$240,000 for the studio units to \$1.38–\$3 million for the top floor penthouses. Most of the early buyers were from Hong Kong and Singapore, where people were used to high-rise living. In 2008, the value had increased by at least 30 per cent and many were rented out by private investors.¹⁸

Until mid 1999, IJM Corporation's most profitable overseas operations were in Australia, but they were also expanding into Argentina, Vietnam and China, fulfilling CEO Krishnan Tan Boon Seng's ambition to regionalise and globalise. His partner Joo Kee Tan, meanwhile, moved into Hordern Towers, from where he could oversee his retail arcade and work on OSW Properties' other developments, including the restoration of the elegant Manning Building in Haymarket.¹⁹

THE AVILLION HOTEL

The Avillion Hotel came up with a novel promotional concept as their opening date approached. Launched at a cocktail party on 10 February 1999 by iconic swimmer Dawn Fraser, a "living billboard" appeared near Sydney airport, featuring a 3D simulated deluxe guest room where various celebrities took up temporary residence – behind glass, but on public view – in the facsimile suite. Such creative marketing was necessary for an independent hotel like the Avillion which had to compete with big hotel chains with much greater resources.²⁰

(ABOVE) The Hordern Towers Project, consisting of the Avillion Hotel, the Hordern Apartment Tower, and the Hordern Retail Shops, was officially opened on 9 September 1999. Mayor Frank Sartor, right, unveils the plaque, accompanied by Dato' Goh Chye Keat (Group Managing Director of IJM Malaysia) and Joo Kee Tan (Managing Director of OSW Properties Pty Ltd Australia).

(JOO KEE TAN)

(OPPOSITE ABOVE) Nearly there! Finishing touches are put to the circular upper lobby of the Avillion, overlooking the "bullring".

(JOO KEE TAN)

(OPPOSITE CENTRE) In April 1999 the upper lobby was complete with art work and Avery's Bar was ready for business.

(JOO KEE TAN)

2001, the Spinifex People of the Western Desert displayed fifty paintings here, including two used as evidence of ownership in their successful native land claim in 2000.²⁶

The V-Bar on the corner of the Hordern Arcade and Liverpool Street was another part of the OSW development, sharing a liquor licence with the Avillion Hotel. In 2000, as the OSW Street Bar, it received approval to operate as a licensed bar, including a gaming room.²⁷

The giant bronze bull in the Hordern Arcade was the result of a competition held by Joo Kee Tan to acknowledge the year in which his project began – 1997 was the Year of the Bull. It was created by renowned Sydney sculptor Alan Somerville who described it as “a strong, exquisite animal, with a lot of character”.

The bull is called ‘The Challenge’. The attached plaque reads: “The bull, a mythological beast, is the embodiment of spirituality and symbolises the qualities of strength, endurance and tenacity necessary in meeting the many challenges encountered in achieving success. OSW Properties, the developer of this site, admires these qualities and applies them in setting it’s [sic] own goals in the development industry.”

The 2.7-metre bull was unveiled at a ceremony on 9 September 1999 to celebrate the completion of the first phase of the World Square development. OSW Properties, says Joo Kee Tan, was bullish enough to take on their corner of World Square when no-one else would touch it. “World Square Pty Ltd said they would finish the site with us”, he says, “but they didn’t. It became a problem for us, but we persevered, like a bull”.²⁸

(*OPPOSITE*) Guests at the Avillion (now Rydges World Square Hotel) look down from the circular lobby on this two-tonne bronze beast. Larger than life, it dominates the Hordern Arcade.

(PETER FOYE)

(*RIGHT*) Joo Kee Tan, at left, CEO of OSW Properties Pty Ltd, with John Hordern, descendant of Edward Hordern of Hordern Bros, and Dr Jerry Schwartz, director of Schwartz Family Company, the owner of Rydges World Square (formerly Avillion) Hotel, at the Hordern Arcade in March 2008. One of Joo Kee Tan’s bull motifs adorns the overhead sign.

(JOO KEE TAN)





CHAPTER 9

A NEW MILLENNIUM

MERITON AND MULTIPLEX

As the twentieth century ended, only one quarter of World Square was operating – the Avillion Hotel and Hordern Towers at the north-east corner. Earlier ambitions for the rest of the site had been abandoned and World Square Pty Ltd was in the process of selling up. The single land title made sales and subdivision a complex business.¹

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from levels 37 to 61, and two- and three-bedroom serviced apartments from levels 62 to 74. Originally planned for 1,000 units, there are now 770. In January 2005, floors 62 to 74 were opened, containing 114 luxury hotel apartments. “Because I’m a snob,” says Triguoff, “I built very big units”. The biggest and highest, he kept for himself.¹⁴

Criticisms of the designs of his apartment buildings in Sydney don’t worry Triguboff. There is an obvious demand for his style of apartment building. “Always we will be judged by the market”, he says. His stellar career as a developer has included some memorable battles with unions and local councils, but his buildings provide work and homes for thousands of people.¹⁵





(OPPOSITE ABOVE) Old mates....property billionaire Harry Triguboff and Prime Minister John Howard at the launch of World Tower apartments on 22 September 2003. “Harry epitomises what a lot of Sydney is about”, said Mr Howard, “somebody who has got hope and optimism and drive and determination.”¹⁶

(STEVEN SIEWART/FAIRFAX PHOTOS)

(OPPOSITE BELOW) Room with a view! The serviced apartments at World Tower are heavily booked each New Years Eve to view Sydney’s spectacular fireworks. Each level has a separate set of four lifts and its own gym, sauna, spa, pool, games room, and theatrette. The sparkling 22 metre swimming pool with its city-wide view on level 61 is the highest in Australia.

(MERITON)

(ABOVE) The unique staged design is evident in this image of the iconic World Tower. It is the 13th skyscraper to hold the title of Sydney’s tallest building. It was the tallest residential tower in the southern hemisphere until the opening of the 80-storey Q1 Tower on Queensland’s Gold Coast in 2007.

(MERITON)

HOW HARRY TRIGUBOFF’S VISION CHANGED OUR VIEW OF SYDNEY

Meriton’s World Tower, Sydney’s tallest residential building with its 74 residential and 9 basement levels, changed Sydney’s skyline. Harry Triguboff’s intentions for it changed Sydney living.

On May 23 2003, Triguboff won a hard fought battle with the City Council’s Central Sydney Planning Committee to turn World Tower’s entire top third – 115 of its most prestigious apartments with eagle’s nest views – into serviced apartments. Triguboff had foreseen a worldwide shift in prestige executive and tourist lifestyles. “The provision of short-term residential-style accommodation supports central Sydney’s role as a centre international commercial activity,” he had argued astutely. Triguboff made sure Sydney could accommodate that shift. Triguboff also anticipated a shift in residential property investment interest to Sydney’s CBD. Short-term leasing would “...improve financial viability of investment in the city by expanding owners’ options,” he noted.

Meriton’s World Tower is one of the world’s most spectacular buildings the creation of which its architects, Nation Fender Katsalidis, are justifiably proud. It was the 2004 Bronze recipient of the international Emporis Skyscraper Award. Its facilities were revolutionary in their scope and sophistication at inception. They still set the bar. Apartments are luxuriously oversized, with soaring ceiling heights and glass exterior walls that maximise light and views. The views are sensational – the magnificent expanse of Sydney Harbour, the panorama across the city as far as the Blue Mountains and the vista of Sydney’s skyline. The facilities are superb – the indoor heated 20 m lap pool is the highest in the Southern Hemisphere, there is a virtual golf simulator and a private theatrette with surround sound. At the foot of World Tower is an all-needs shopping centre for both essential and indulgences.

Harry Triguboff’s vision for Meriton’s World Tower changed the face of Sydney. It changed its skyline, certainly. Most importantly, though, it changed the lifestyle of Sydney’s CBD. It made living in the CBD prestigious, sophisticated and viable. We have to agree with Triguboff, “You go through life hoping you could achieve just one World Tower.” Because of Triguboff, Meriton did.



CHAPTER 10

A TWENTY-FIRST-CENTURY HOTEL

RYDGES WORLD SQUARE TODAY

Rydges World Square Hotel was originally the Avillion Hotel, which had been operating on the north-east corner of the World Square site since 1999. From late 2005, the joint owners, IJM Corporation Berhad and Reliance Pacific Berhad (RPB), were in dispute over various matters and sought a buyer for their hotel. The IJM Corporation was expanding globally and were developers, not hoteliers. The agent handling the sale, Rob Cross of Richard Ellis, struggled to find a taker for the asking price of \$120 million.

Negotiations reached the expression-of-interest stage in September 2006, but the partners – represented by Dato Krishnan Tan Boon Seng (IJM) and Datin Irene Tan (RPB) – were unable to agree on a final price and it remained unsold. And there was a further complication: the sale also included the V-Bar on Liverpool Street with which the hotel shared a liquor licence. This was owned by IJM subsidiary OSW Properties whose CEO Joo Kee Tan was thus a silent third partner.¹

A NEW OWNER

Watching from the sidelines was Dr Jerry Schwartz whose private family company already owned several hotels in this part of Sydney. His agent, Mark Durran of Jones Lang LaSalle, approached both partners individually, first to persuade them to sell, and then to agree on a price. In the middle of the December 2006 holidays, Jerry Schwartz and IJM CEO Krishnan Tan Boon Seng (KT) signed an agreement. KT found Dr Schwartz an unlikely millionaire with his ponytail and laid-back attitude. According to KT, the deal was signed on a scrap of paper with a handshake and Dr Schwartz was as good as his word. To persuade Irene Tan to sign, they leaked the news of the sale to the Malaysian press. Reliance Pacific Berhad in Kuala Lumpur informed shareholders of the sale on 16 January 2007. It was reported in Malaysian and Australian newspapers the next day. IJM expected to receive about \$22.3 million for its share. The RPB Group said the sale would allow it to offset loan obligations and to expand. According to Irene Tan, the sale of the hotel was timely, given the current high exchange rate.²

Rick Butler of CB Richard Ellis who, with Rob Cross, had originally represented the vendor, said the hotel had shown profit growth during 2006 due to the completion of World Square. The vendors paid their sales fee to both Jones Lang LaSalle and CB Richard Ellis even though the latter had nothing to do with the eventual sale.³

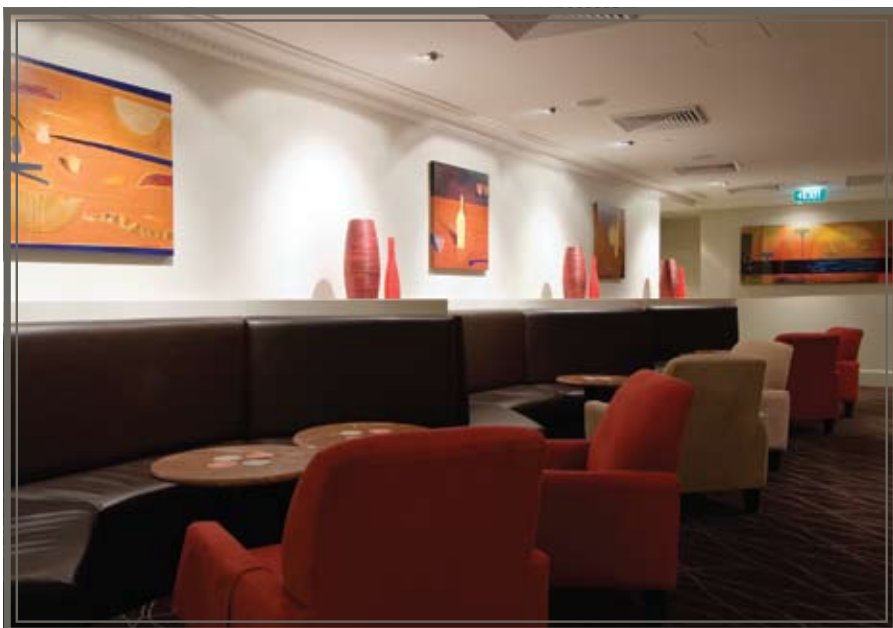
(OPPOSITE) Rydges World Square Hotel at night showing the monorail running beside it along Liverpool Street.
(RYDGES.COM)

(RIGHT) Last Hurrah! Taken after the farewell dinner in March 2007, this is the final photograph of the Avillion management and directors before the new management company moved in. Some of the old staff stayed on.

(ALI ULUS)



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(OPPOSITE ABOVE) The revamped Sphere Restaurant at Rydges World Square Hotel. (RYDGES.COM)

(OPPOSITE BELOW LEFT) In 2008, the Avery Bar underwent a full refurbishment and emerged with a brand new look and name – the Square Bar. (RYDGES.COM)

(OPPOSITE BELOW RIGHT) Staff do their best to keep their guests happy. Here, late at night, Rooms Division Manager Ali Ulus and the houseman search the garbage bins for a woman's lost mobile phone. (ALI ULUS)

(ABOVE) Rydges World Square Hotel hosts many parties and corporate functions. The banquet room at Rydges World Square is popular for wedding receptions and special events. (RYDGES.COM)

(RIGHT) The entrance to Rydges World Square Hotel at number 389 Pitt Street. (RYDGES.COM)



WORLD SQUARE

FROM CEREMONIAL GROUNDS TO INTERNATIONAL PRECINCT

WORLD SQUARE MONORAIL STATION

Like Anthony Horderns before them, the Malaysian developers of World Square recognised the importance of convenient transport links. Ipoh's first proposal for a station at the corner of Liverpool and Pitt Street proved impractical. Their next plan, lodged with the State Rail Authority in November 1983, was for an underground railway station on the corner of Goulburn and George Streets to link up with the Eastern Suburbs line.¹⁵

By the mid 1980s, these plans were overshadowed by the Government's controversial scheme for a city monorail. Despite opposition, the monorail opened in July 1988 after sidestepping the usual planning controls. World Square was still a hole in the ground, but a monorail station was planned for Liverpool Street to link the proposed retail centre and hotel with the newly completed Darling Harbour complex. TNT Transit System's \$65 million overhead rail system ran at a loss for several years and in August 1998 they sold the business and operating licences to a subsidiary of the French-based CGEA Transport. By 2008, the Australian company Metro Transport Sydney was the owner and operator of both the monorail and the Central to Lilyfield light rail system.¹⁶

Well before this, Ipoh had sold the north-east corner of their development to OSW Properties who constructed the apartment tower and hotel on the site. They also acquired the partially completed monorail station in Liverpool Street. By September 1997, OSW had spent \$5 million relocating the station entrance from Liverpool Street to Liverpool Lane. With the lease on the station expiring in November 2008, OSW's CEO Joo Kee Tan reasoned that Rydges World Square Hotel above his retail arcade could benefit more from the station and sold the station and operating lease to the hotel's owners, the Schwartz Family Company. Dr Jerry Schwartz hopes to negotiate direct entry for hotel guests from level two into the monorail station. He plans a brewery between the station and the hotel plant room. Ultimately he would like to open a brewery bar within the monorail station.

Meanwhile, the monorail station at their doorstep provides guests of Rydges World Square Hotel with convenient links through Chinatown and the Spanish Quarter to the shopping heart of the city and on past the historic Queen Victoria Building to the entertainment and dining attractions of waterfront Darling Harbour and the Sydney Convention and Exhibition Centre.

