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THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 16 JUNE 2023.

Mr ANTHONY DONALD, CHIEF EXECUTIVE OFFICER, TASPOTS, WAS CALLED, MADE THE STATUTORY DECLARATION, AND WAS EXAMINED.

CHAIR (Ms Forrest) - Welcome, Anthony, to the Public Accounts Committee hearing into the proposed Macquarie Point stadium. This is a public hearing, it is being broadcast and the hearing will be transcribed and published as part of our public record at a later time. Everything you say is covered by parliamentary privilege while you are before the committee, but that may not extend beyond the hearing. If there was information of a confidential nature that you would wish to share with the committee, you could make that request and the committee would then consider it and then we would turn the broadcast off and deal with the *Hansard* differently, otherwise it is all public. Do you have any questions before we start?

Mr DONALD - No.

CHAIR - I invite you to take the statutory declaration, which is just under your book there and introduce yourself. If you wish to make an opening statement, we invite you to do so.

Mr DONALD - Sure.

CHAIR - Do you know all the members of the committee? They are Meg Webb, Dean Young, I think you probably know me, and Josh Willie, and Shane Broad is online.

Mr DONALD - I would like to start by saying, as far as the stadium is concerned, I think it is important to recognise the strategic objectives of TasPorts, in particular around the Port of Hobart. Our primary objective is to facilitate trade and act in a sound commercial manner. With respect to the Port of Hobart, the infrastructure and service offerings are primarily aligned and directed towards supporting the Australian Antarctic Division and cruise ships, and to a lesser extent, bulk export facilities for logs in particular. There are other visiting Antarctic nations and the Australian Defence Force and other visiting navies and, of course, a fishing fleet.

I just thought that it was really important just to note from our strategic perspective the importance of the Port of Hobart and our primary objectives around supporting the Australian Antarctic Division and cruise [ships] in particular and to a lesser extent those other industries and customers that I make reference to.

CHAIR - I assume that you have seen some of the documentation about the proposed stadium and the proposed footprint?

Mr DONALD - Yes.

CHAIR - There are some more recent ones we have seen where it appears that they may impinge on TasPorts land. Does it or doesn't it, from your perspective, and what interaction have you had in determining whether there will be an impact on TasPorts land and operations?

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Mr DONALD - I have not seen any concepts that impinge on TasPorts land.

CHAIR - What about the operations?

Mr DONALD - I am not aware of any impacts on our operations as a result of the stadium.

Mr WILLIE - Has there been engagement from the Government? Have they reached out to you and given you some more understanding about potential designs and how that might interact with your property?

Mr DONALD - We have had extensive consultation, integration and communication with Macquarie Point Development Corporation and representatives of State Growth for probably four to five years, associated with the development of Macquarie Point, a high degree of consultation and interaction. As it relates to the stadium, we were provided with some information associated with the concept drawings and asked to provide some comment in relation to whether or not we felt there was any impact beyond the impacts that we had already described with respect to the previous land use plans from Macquarie Point Development Corporation. Based on the concepts that we have provided, we could not identify, could not see any further requirements that we may have in place.

Ms WEBB - Can I clarify when that was provided to you and that comment requested?

Mr DONALD - Certainly, I am not aware of the specific dates, but it was prior to the public release of information associated with the stadium.

Ms WEBB - Could you potentially take that on notice and provide us with the dates?

Mr DONALD - Certainly, it would be approximate dates because it was all via direct communication, phone conversations.

Ms WEBB - To follow up on that though, so you had phone conversations where that was discussed and it was indicated that comment would be solicited from you, but you must have been provided with something in writing to consider in terms of what was proposed.

Mr DONALD - Certainly, there was a number of meetings that I, personally, was not in attendance. There was a number of my staff who were involved in direct communication and meetings, reviews of concept drawings, which were then described to me. I was certainly satisfied that, based on the information presented to me, there were no additional impacts or any further considerations beyond which we had been articulating for a number of years.

Ms WEBB - So, to clarify then, you could provide us, on notice, with information about dates of those meetings that were held by your staff and where there was material in writing exchanged or documents or concepts?

Mr DONALD - Yes, I am more than happy to do that.

Ms WEBB - Great.

CHAIR - We will write to you and request that information.

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Mr DONALD - Yes, that is fine.

Mr WILLIE - You say you are not aware of many concept designs that impinge on the TasPorts property. Have there been any verbal discussions that may be the case once more detailed designs and engineering are done?

Mr DONALD - No, not that I am aware of.

CHAIR - In terms of the impacts of development on Macquarie Point, not just for the stadium, but previous ones, can you outline what those concerns were that you raised in regard to any development or the most immediate past development that seemed to be progressing?

Mr DONALD - I would not use the word 'concerns'. I would use the word 'considerations', and they would be no different to considerations that we would apply to any infrastructure development across the state, very consistent with the considerations that we have in place with respect to the Quaylink development in Devonport. They are predominantly associated with preserving the port secure zone in accordance with the necessary legislation and regulations and the access to and egress from our ports - that is, road connections - and, of course, the safety of people -

CHAIR - Safety of your people?

Mr DONALD - No, more of the public, the community. TasPorts has a significant operation and landholding associated with commercial port operations, but equally we have a large footprint and responsibility associated with community assets and open space. A perfect example of that is the Hobart waterfront, so we are acutely aware of the management of risk associated with the protection of people, pedestrians in particular, who are moving through our land and through our port facilities, from a community access perspective. Those have been fundamental conversations that we have had in place with Macquarie Point Development Corporation and State Growth for four to five years.

CHAIR - The previous designs were unlikely to create a mass movement of people in a relatively short period of time; particularly leaving an event, people go in dribs and drabs a bit, but obviously after an event they tend to mostly exit all at the same time, except if your team's been flogged and you've left early. In terms of that, there's a large volume of people leaving that site, and you talk about the public safety, there's also the safety of the people who are accessing the port at that point. Have you raised that as a matter that needs to be considered in the design of this?

Mr McDONALD - I haven't raised it because it is already a matter that would be considered as part of the design of the facility, whether it was through the previous land use plans of Macquarie Point or the stadium. I don't see that process of engagement, our input and collaboration with others changing. I do acknowledge that there would be potentially a higher intensity of people's movements, particularly departing an event. From a pedestrian management, that makes sense, but it doesn't concern me that the process that I'm expecting will be implemented won't accommodate that in an appropriate manner.

This week is a good example. We have had 150,000 walking through the Hobart waterfront because of Dark Mofo. During the Sydney to Hobart event and the Taste Festival,

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on a particular day or night, we may have 50,000 people walking through the Hobart waterfront and, again, they're not all arriving or departing in the same 15-20 minutes, but it is a high-intensity movement of people and it is something that we are always focused on. There's nothing I'm aware of that suggests to me the need to have any concern about the process that would be implemented to design appropriate infrastructure and separation of vehicles and pedestrian movements to enable that to occur safely and appropriately.

CHAIR - Is it your view then that those matters, which are different for a stadium than they would be for a housing development, say, or even some other arts precinct necessarily, are you confident that what now appears to be the plan, a Project of State Significance assessment, will manage and assess all those things?

Mr McDONALD - Absolutely.

CHAIR - Do you expect you'll be participating in that process to provide the key aspects for you?

Mr McDONALD - Yes. Absolutely. I see that as fundamental, that we work collaboratively with all of our neighbours to ensure that traffic modelling in particular, incorporating heavy vehicle movements, buses or coaches to support our cruise lines, and light vehicles for people entering and exiting the port.

CHAIR - There's also heavy vehicles that come in under darkness, like log trucks and things like that, which come in darkness, particularly this time of year. It's dark more often than it's light.

Mr McDONALD - I did mention heavy vehicles. In the last 12 to 18 months, the number of log trucks have been very minimal. That's a separate issue. But around the State, we have thousands and thousands of heavy-vehicle movements and we know the capacity for the Port of Hobart in particular to accommodate heavy-vehicle movements in and around our port and with the important interface with the local and state road network. The capacity that exists in the network is far in advance of the traffic volumes that we see.

Mr WILLIE - The Federal Government contribution to the precinct requires a precinct plan, including wharf upgrades. What engagement have you had with the State Government in terms of that precinct plan, what are the wharf upgrades required and what's your expectation in terms of funding?

CHAIR - And timing.

Mr McDONALD - Four questions.

Mr WILLIE - We'll start one then. What has your engagement with the State Government been?

Mr McDONALD - In relation to the precinct plan, our engagement has been consistent with the engagement with the Macquarie Point Development Corporation in accordance with the City Deal, the need for us to contribute and participate in a whole-of-precinct plan associated with the infrastructure. Our particular focus is around the infrastructure associated with the Australian Antarctic Division around Macquarie 6. The previous plans for it to have

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an Antarctic Science Precinct within the Macquarie Point Development Corporation has obviously now changed. However, that does equally provide an opportunity for warehousing and some minor office accommodation within our wharf precinct.

Mr WILLIE - In terms of the required upgrades, have you got an amount that would need to be funded for the wharf upgrades?

Mr DONALD - I openly and quite regularly talk about the need for bankable business cases for Tasmanian ports. We have been very open about the fact that we have been in commercial discussions with AAD for an agreement that will enable us to fund the upgrade of Macquarie 6. The recent funding announcements from the Federal Government don't change our plans at all.

Mr WILLIE - So you will self-fund the wharf upgrades -

Mr DONALD - For Macquarie 6, yes. That was always part of our plan.

Mr WILLIE - And the time line?

Mr DONALD - That will be dependent on our commercial negotiations with the Australian Antarctic Division. I might add that our recent engagement with the Deputy Secretary Mr Sean Sullivan has been extremely positive. I'm very confident now with the introduction of a new director, CEO, that we'll be able to progress those discussions promptly - and we have already recommenced. Our proposal to the Australian Antarctic Division is very consistent with what we articulated a number of years ago. Of course, we won't commit to the commencement of delivery without a commercial agreement. We are, of course, a state-owned corporation with an independent board operating under the Corporations Act. In order to debt fund the money, there is appropriate governance but, also, we need to be able to demonstrate the necessary financial performance of our organisation to fund not just the construction but the ongoing maintenance of the asset. That is why the commercial agreement is vital in order for us to satisfy both our governance and our borrowing requirements with TASCORP.

Dr BROAD - About the Antarctic precinct. You were saying that the Antarctic precinct plan had changed? Is that correct? Is there going to just be a wharf upgrade and no associated buildings and shifting of the headquarters to there or a greater science precinct where we will be expecting buildings with scientists actually working? What are you alluding to that has changed?

Mr DONALD - The concept plans that I think we have all seen indicate that there are no specific Antarctic science buildings in the footprint. That doesn't preclude some of those office accommodations and buildings being incorporated into the stadium development. I am not familiar with it, or would it be appropriate for me to be across that level of detail? What I am aware of is that we have always had within our concepts associated infrastructure, both warehousing and minor office accommodation, within the port footprint, immediately adjoining the Macquarie 6 development.

Ms WEBB - For me, that was the question I was going down to, the Antarctic precinct potentially no longer then being a component of the development with the stadium. Did that have anything to do with the wharf upgrades or the future plans, from your perspective?

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Mr DONALD - The answer to that is no. It wouldn't impact our operation.

CHAIR - In terms of the heavy-vehicle movements particularly, when have heavy vehicles currently access the site for the port, do they traverse any of the area of Macquarie Point currently or is all coming in on -

Mr DONALD - No, all coming in through the local road network.

CHAIR - So when the works are going on to upgrade the port, sorry, did you say the time line for that?

Mr DONALD - No, I didn't because that would be conditional on a commercial agreement with the Australian Antarctic Division.

CHAIR - So you don't have any indication of when that is likely to be?

Mr DONALD - No. If it could be -

CHAIR - If they agreed tomorrow -

Mr DONALD - If they agreed tomorrow we'd be very close to moving into procurement.

CHAIR - Right, so it's likely -

Mr DONALD - It would be a number of years. The construction duration is around two years.

CHAIR - Right, but it's not ready to go because you haven't got that agreement yet?

Mr DONALD - That's correct.

CHAIR - If both things were going on at once, I know that's only a one-off situation, but how difficult would it be to manage the port at that time if both are going on at once? Assuming that when you're building a large structure like a stadium you're going to have to block off a large area to public access and anybody else, except for people who are certified to be on site basically, and then getting access to the port, because I assume during that upgrade you're still going to have to operate.

Mr DONALD - Yes. I don't see any concerns. There would always be the possibility of disruption with the delivery of any infrastructure, whether or not it's the construction of a road or a curb and channel or a footpath or a large infrastructure offering like that stadium or a wharf upgrade. There's always disruption.

The key and vital element is that that disruption is planned and whether or not there's some operational procedures in place for the hours of the day that truck movements need to occur or deliveries need to occur. That's all part of infrastructural project delivery and that's something that my team in particular, I think, is incredibly good at. I personally have been involved in the delivery of large-scale infrastructure, particularly now in Tasmania but also in Victoria, of a significant nature in operational facilities that require ongoing, 24/7 operations

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to continue. I think that's something that we will continue to focus on and I'm not aware that concerns me in that regard.

CHAIR - When the ADF brings its ships in, are there additional or particular requirements that are made and security there? I'm just talking about a general visit - we see that the vessels come in from time to time. I'm not sure if you have other types of visits, but I'm talking about the ones that come by ship.

Mr DONALD - On any vessel, there is a consistent standard of inspection and surveillance prior to a visit. Naturally, from time to time there are additional requirements. I'd probably have to take advice on whether or not I'd share that in public.

CHAIR - I'm not asking you to share it, I appreciate that they're security matters. I'm not asking you to reveal those; I'm just asking if there are additional requirements, assuming that there would be for vessels such as that.

Mr DONALD - I would say that it's very consistent, if not the same, as all of our commercial port movements. We operate under legislation and regulation, and the standards are consistent. From time to time, if the Australian Defence Force chose to request additional or undertake additional inspections themselves, then that would be their choice to do so.

CHAIR - Is the timing of the visits a matter for the ADF or are they a matter for TasPorts or in collaboration?

Mr DONALD - It's a combination and, really, a reflection on the availability of berthing is really the only constraint.

CHAIR - Having a major event on at the time they were there wouldn't be a barrier?

Mr DONALD - No. Certainly, I have had some level of interaction with the Australian Defence Force in that regard -

CHAIR - Around the proposed stadium?

Mr DONALD - Yes, and our cruise customers, and no-one has any particular concerns. We are acutely aware of all of the requirements and we don't anticipate any concerns or issues at all. The management of a port or an airport, an operational environment, there are always issues to resolve, challenges to deal with. That's why our organisation exists. There are requirements that we need to comply with. There are requirements that our customers and port users need to comply with, and our role is to ensure compliance, essentially, in that regard.

From a security perspective, I'm not aware of any concerns associated with the stadium.

Ms WEBB - I can hear you quite clearly saying that you don't have those concerns from your point of view. Have your customers and port users raised issues or concerns they have from their perspective?

Just putting aside whether you feel that they can be addressed or not, has that been raised with you from any of those users?

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Mr DONALD - No. The only comment that I would share is that our cruise customers in particular came to understand event-timing schedules because they would plan to stay at the wharf overnight if that was available to them because they see it as an opportunity to bring additional cruise ships in so that their passengers could attend an event.

It's more of a positive interest. There are certainly no negatives or any concerns raised, from our perspective.

Mr YOUNG - We have seen an alternative design proposed. How would a major housing development impact on the 24-hour working port? Do you have any concerns around that?

Mr DONALD - No. Fundamentally, if I could use the term, our social licence to operate, whether or not there's housing directly adjoining or there's office accommodation directly adjoining, we need to be mindful of that. I would expect that there would be appropriate acoustic treatments put in place in terms of building standards, but that's not all that dissimilar to the standards that we see today in general construction.

In Hobart in particular, but also across the State, there's other locations, Devonport in particular, where we coexist with the community, with open space and with residential developments. The location of our ports historically - I mean, we do have the oldest ports in the country - our communities and cities have been developed around our ports. I'm perhaps a little biased, but I like to think that our communities are quite connected to our ports. Our role is to advocate for them, but also to ensure our social licence to operate continues because our role in facilitating trade supports the state from a number of different perspectives, both economically but also because they're bringing in important consumables.

Mr YOUNG - I guess what I'm feeling is very much a 'we'll figure it out' type situation where you work, you've got skills to do it, you'll keep - nothing's insurmountable. Insurmountable might be too big a word, but you've got the skills to make things work.

CHAIR - From the port's perspective?

Mr YOUNG - Yes. From the port - no, across the board.

Ms WEBB - I am interested to hear there's been discussion in relation to the proposed stadium and arts precinct development and that there'd be an expansion of the ferry network on the river. I just wondered if there's been discussion around use of port facilities to put in place more ferry infrastructure approximate to the site. Could you describe any discussions or interactions around that?

Mr DONALD - Yes. I'm aware of the concept associated with additional ferry locations. I don't anticipate, nor would it be appropriate for, any of those ferry stops or terminals to be within the working part of the port, that is, from Macquarie 3, 4, 5 and 6 or Macquarie 2. There'll be no ferry terminals in those locations.

I would expect that the current ferry terminal down here on the Hobart waterfront would remain and that there are other opportunities around towards The Domain for other locations. Our requirements would be through input from our harbour master on ensuring there's ongoing safe movement of vessels.

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Ms WEBB - So that hasn't been put to you, or discussion around ways to look at that being incorporated hasn't been put to you?

Mr DONALD - No.

CHAIR - Would there be room to do it, even if it was something the Government has perhaps brought to you as an option? Would there be room within the working port to put all the infrastructure that you need and the separation for a ferry terminal?

Mr DONALD - No. We wouldn't allow that from Macquarie 2 to 6.

Dr BROAD - So what about Macquarie 1?

Mr DONALD - I think Macquarie 1 is a great spot for our tug boats, Dr Broad. I know when we first moved -

CHAIR - You don't want ferries there then, is that what you're saying?

Mr DONALD - I think there's perhaps other better locations in that regard. I haven't thought about that location but my immediate response is I could probably think of a number of others that are better suited. I think when we first put our tugs out in front of the the MACq 01 Hotel, there was perhaps an element of nervousness from the hotel about that but very quickly and consistently we received positive feedback from the hotel and hotel guests about their opportunity to view the tugs and our crews moving in and out of the port. It's a good reminder for all of us of the importance that those crews and our services play in facilitating trade for the State.

CHAIR - Okay.

Dr BROAD - It's on another, slightly different topic. I know that there's been questions about access to the port and discussions about an alternative access for trucks. I know that Hunter Street can be a bit of a bottleneck. I think only about four cars can cross every change. There was discussion about an alternative access to the port, mainly around log exports and so on. Has there been any further discussion or is that just completely off the radar now?

Mr DONALD - The point that you made then around the log exports, I'm not familiar with that at all, in terms of an additional road connection for log exports.

Dr BROAD - That was a point raised by Evan Rolley in his report about the timber industry.

Mr DONALD - Yes, okay, and that report was prepared four to five years ago. My association with TasPorts began in late 2015. One of the first things that I looked at for the organisation was some advice we'd received associated with what's referred to as the northern access route, which is the creation of a new connection into the working part of the port and that has been a live discussion with State Growth, Macquarie Point Development Corporation and Hobart City Council for five years. The introduction of a concept associated with the stadium has not changed our desire for a northern access route to be provided at some point in

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time in the future. The work that I would imagine we will all do together to appropriately plan for traffic movements would identify the necessary timing for the delivery of that infrastructure.

Dr BROAD - Can you just clarify the approximate route that a northern access would take? Would that be along the escarpment or through The Domain?

Mr DONALD - It comes down through the back of the Huon Quays facility. There is a drawing that I'd be happy to provide, which is probably more accurate than me attempting to find my way through a verbal description.

Dr BROAD - But you are suggesting that that's still a live option and still in discussion and that's been ongoing for five years?

Mr DONALD - Yes, absolutely.

Dr BROAD - Did that discussion get any lift when the original proposal for a stadium would have actually been right on top of that access route?

Mr DONALD - No.

Dr BROAD - Did that come up in conversation at all?

Mr DONALD - No, it didn't. It did, only that our requirement for the northern access route at some point in time is still required. The plans in place for Macquarie Point Development Corporation prior to the stadium, in our view, require the northern access route still to be considered at a point in time. The existence of the stadium doesn't change our view or the need for the northern access route at some time in the future. The timing associated with that would be, I'd imagine, identified over the next 12 to 18 months following detailed planning associated with traffic movements and construction staging.

Dr BROAD - When the first proposal at Regatta Point was entered, basically dropped into the newspaper with a nice pretty picture, was the northern access raised as an issue with the Government?

Mr DONALD - No, because it was always understood that it was a fundamental requirement and no changes to the requirements associated with the stadium, from my perspective.

CHAIR - When you say that you are confident, are you saying that the northern access route maintains a priority for TasPorts or an important project, if we can call it that? The Government is aware of that, so it would be helpful to see the diagram of where it actually is proposed. The new proposal on Macquarie Point is a much larger, immovable structure that doesn't allow through traffic, you certainly can't drive under one. Anti-terrorist provisions will prevent allowing vehicle movements under a stadium. So are you confident that such a large structure that would prohibit movements around the entirety of that area other than around the perimeter can still fulfil that northern access?

Mr DONALD - Yes, absolutely.

CHAIR - It would be good to see a picture of that.

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Ms WEBB - From what you have described to date, the interactions that you had with the Government around discussions to do with the stadium proposal and what that might mean for TasPorts, have been not formalised and not necessarily in writing, but verbal conversations and assurances given. What do you expect in terms of next steps going forward, in terms of formal interactions of TasPorts into the process of planning and development? What are you anticipating in a more formal, documented way for TasPorts?

Mr DONALD - That would be associated with more detailed precinct planning, which would then inform traffic modelling, which would then in turn inform detailed design.

Ms WEBB - Yes so, the precinct planning is beginning to occur now that Macquarie Point Corporation is undertaking an exercise currently. Will TasPorts have a formal interaction with that, put a submission in, something like that? I am trying to get a sense of where the formal interactions will begin, given that it sounds like it has been informal to date. Will there be formal submissions, interactions of different sorts going forward; can you map it out?

Mr DONALD - I would anticipate and am fully expecting a high degree of integration and collaboration with them right through. We already have the establishment of a number of steering committees, one in particular which has been informed through the City Deals. That forum provides already an opportunity for great collaboration and integration. I see evidence of all parties having an acute understanding of all of our requirements. I am not sure if that answers the question.

Ms WEBB - Thank you, it is interesting information but it doesn't answer my question. My question is, at what point, if any, do you anticipate that TasPorts begins to have a formalised input into these processes through written documentation like submissions or that sort of accountable interaction and documented interaction that can then be seen publicly or from the outside from our perspective as parliament? Do you expect there to be those points in time going forward?

Mr DONALD - Yes, I do.

Ms WEBB - What would that look like?

Mr DONALD - That would look like any other major infrastructure development or any delivery of infrastructure of significance, whether or not it is of state significance or other. We are an important stakeholder, we are a neighbour. We have already a seat at the table in terms of the collaboration and integration of precinct planning and traffic planning. I would imagine that there will be an ongoing formal process associated with that, documented in a manner that gives us all comfort and confidence that our input is being considered and appropriately dealt with.

Ms WEBB - What formal input do you anticipate TasPorts having? Where do expect to make submissions, for example, or provide documented input?

Mr DONALD - Through the planning and design process in particular, around building standards, road design, pedestrian movement interfaces - all of those matters.

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Ms WEBB - It's more about the point to the process that I'm interested in. Perhaps you can't point to them at this stage because you're not aware of what the particular process would be.

Mr DONALD - Every infrastructure project goes through a phased infrastructure delivery. I understand that the stadium is in the early phases of concept. As they move through the detailed phases of planning, I would expect a higher degree of input at that point in time for our team to have input and/or validate some of the information that we see presented to us. Then they'd move into the next the phase of traffic modelling where, I would imagine, we have a high degree of input into the establishment of the traffic model, any assumptions being made -

Ms WEBB - And you're expecting those to be formalised, documented?

Mr DONALD - In a staged delivery manner, in accordance with the project delivery life cycle as part of the State Growth - Infrastructure Tasmania process.

Ms WEBB - I'm just going to push you again on it. You expect those to be documented, formal interactions, not phone calls and undocumented meetings, in that way? You expect each of those points?

Mr DONALD - Yes, absolutely. I will just pick you up on that if I may. The ongoing interaction and collaboration with State Growth, Macquarie Point Development Corporation, TasPorts, Hobart City Council and TasWater in this precinct has been extensive for four to five years. That's a number of forums and, of course, with all collaboration and integration. There's a number of different forums and some of those are telephone conversations. Some of those are conversations that occur face to face, but they also complement a lot of the formal steering committee meetings, the numerous presentations that have been provided, the formal feedback and the endorsements of the stages and phases that I would expect as the part of the project delivery cycle.

Ms WEBB - As you'd expect, we're interested in these major decision-making processes that things are accountable and able to be tracked and able to be publicly visible in some sense, or in a parliamentary sense, information provided. When we asked you earlier about interactions and you described phone calls, and then I had to press you to get detail about that there were meetings between people in your team and others that we could get documented dates for and potentially documents for, I'm just pressing you because I want to understand where those more formal and documented points will be so that we can, going forward, understand what we can scrutinise and hold to account.

Mr DONALD - Sure.

Mr WILLIE - You'd be well aware of the RSL's concerns with the Cenotaph. I just want to go back to that conversation around the site and if the Government were to address those concerns, whether there is scope to cede some of your property to maybe move the stadium further away from the Cenotaph.

Mr DONALD - I'm broadly familiar with the RSL's concerns. I wouldn't say that I'm an expert on their concerns, and I don't anticipate the need for us to change our footprint of the working part of the port.

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Mr WILLIE - If the Government came to you and said 'we need to address these concerns that the RSL and veterans in Tasmania have because of the proximity to the Cenotaph, and we would like to build a portion of the stadium on your property', is there scope to do that?

Mr DONALD - That's a hypothetical.

Mr WILLIE - It's a live question because it's part of this discussion.

Mr DONALD - I haven't seen any drawing, nor have I had any conversation with anyone about that. My opinion, based on what I believe to be a hypothetical, would be that we wouldn't wish to compromise our footprint.

Ms WEBB - What would the process look like if that was to play out, and the State Government were to be looking at that from their perspective, as an option? What would that process look like, in terms of the interaction with TasPorts?

Mr DONALD - I would imagine that there's some direct engagement and some conversations about the possibility and the options and we'd be asked to comment on whether or not it could be accommodated.

Mr WILLIE - Would it impact the workings of the port?

Mr DONALD - Again, Mr Willie, that's hypothetical, it depends on - are we talking about 5 square metres, are we talking about 50 square metres, are we talking around Macquarie 6, are we talking about down around the port tower building? There's a whole - my honest, immediate response is I wouldn't wish to compromise the current footprint of our land offering.

Mr WILLIE - I understand that but you would have seen the selection process reports. There's not a lot of room once you fit in the diameter of the stadium and the concourse. I find it hard to believe that you haven't considered this particular topic -

CHAIR - Possibility.

Mr WILLIE - The possibility of TasPorts having to cede some of its property for the project.

Mr DONALD - That's a matter for you. You find it hard to believe that I haven't considered it. That's a matter for you.

Mr WILLIE - If you look at diagrams like this, there's not a lot of room on the site and you're an adjacent landholder.

Mr DONALD - You're talking about a hypothetical of me being asked to reduce our footprint to accommodate the RSL. It could take all sorts of forms, couldn't it? How can I consider a hypothetical?

CHAIR - Let me ask you a question about, as Meg was eluding to, the particular process. Can the Minister issue you a direction with regard to this?

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Mr DONALD - Certainly, the Minister can issue directions. You'd be fully aware of that but I wouldn't anticipate - I'm not aware of any conversations, I haven't had any interactions on this topic and, again, my immediate response, which I repeat, is that I wouldn't wish to compromise our footprint.

CHAIR - As you understand the legislative framework under which you work and the relationship with your shareholder ministers, and one not being the minister in charge of Macquarie Point - the Treasurer and the Minister of Infrastructure, same person at the moment - if a ministerial direction was to be ordered or directed to you, as you see your powers under the framework that you operate, could you reject that?

Mr DONALD - I'd have to take that on notice and contemplate that, take some advice.

CHAIR - You operate as a state-owned company, not a GBE?

Mr DONALD - Yes, that's correct.

CHAIR - But you still have a statement of expectations with the minister?

Mr DONALD - Yes.

CHAIR - I'd appreciate you coming back to the committee on how you see TasPorts as a state-owned company responding to a ministerial direction with regard to a matter like that.

Mr DONALD - Sure.

Dr BROAD - What's in Macquarie 5A shed and how important is that? What would happen if the stadium footprint, for example, expanded to take that away from you?

Mr DONALD - No. 5A shed is within the working part of the port. It's within the footprint. We're not anticipating any plans, any need to change our footprint, Dr Broad. As part of the upgrade of Macquarie 6 and, of course, 4 and 5, we fully expect that at a point in time all of the sheds currently within the working part of the port could be either upgraded, moved or expanded to support the Australian Antarctic Division and the ongoing need for bulk export movements of product.

Dr BROAD - I imagine as well with the upgrades you're proposing that you might have some geotechnical understanding of what is required. Do you have any sort of geotechnical issues of the site, like stability? Is it all - if you want to put anything heavy, have you got to put down pillars into the bedrock? What's the situation there? Have you got any sort of assessment you can share with us?

Mr DONALD - We have undertaken detailed geotechnical investigations associated with the Macquarie 4, 5 and 6 upgrades, fully aware that that part of the port is reclaimed land and that area of the port has been expanded over 70 to 80 years. I think that area probably was constructed in the 1970s, perhaps mid-1970s, and the notion of reclaimed land suggests that it would be quite soft at times. Ports invariably are constructed in areas where geotechnical conditions can range from hard rock, reef to soft material. It's not all that dissimilar to the work being undertaken at Devonport at the moment with Quaylink. There are places along the river where we are driving piles down to negative 40 metres. Within 10-15 metres, the distance of

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those piles is probably only going to go down to 15 or 20 metres because of the identification of hard rock.

Mr WILLIE - Where does the seawall run? Is that on your property or Macquarie Point?

Mr DONALD - It's on our property.

Mr WILLIE - It doesn't run partway through Macquarie Point?

Mr DONALD - No.

Dr BROAD - Do you have any idea of the geotechnical circumstances around the boundary with Macquarie Point Development Corporation, like have you done any drilling there to get an understanding of what is underneath there, apart from just the edge of the wall, which is what I imagine is what you are referring to?

Mr DONALD - No, not that I am aware of. We invest time and money in investigations, whether or not it is geotechnical or other, for our infrastructure requirements, not for others.

Mr WILLIE - If there is a requirement for car parking under the stadium, would that impact the seawall at all in terms of structural support?

Mr DONALD - Not that I am aware of. But, again, that would depend on the design and the proximity. I don't imagine that it would. I think that is a fair distance away from the boundary of the port. I am a civil engineer and I trust my team to provide me with engineering advice, but I can't see how any excavation around the stadium would create concerns around the seawall. I think construction methodology, in terms of vibration and impact, is something that would need to be considered. That is done as part of infrastructure delivery generally anyway. I don't anticipate it would be a problem.

CHAIR - Where does the seawall run exactly?

Mr DONALD - It's really approximately 15-20 metres behind the face of the berth.

CHAIR - Could you provide a diagram with that highlighted on it. That would just be helpful to see, particularly is there is protection work that needs to go in to protect the seawall with a major construction in the vicinity -

Mr DONALD - Yes, I would be happy to provide a drawing that shows the current status of the seawall and the existing structure, and a realigned berth following the delivery of an upgrade to Macquarie sheds 4, 5 and 6.

Mr YOUNG - Are you happy that TasPorts can continue to meet its strategic objectives through this whole precinct process?

Mr DONALD - Yes. If I felt otherwise, I would feel very comfortable in identifying concerns and raising them because I take my role seriously, as I am sure we all do.

Ms WEBB - I am just interested in whether any of the consultant groups that at different stages did site consideration reports for the state Government or for the AFL interacted with

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TasPorts at any point directly. When I am saying that I am talking about, say, Philip Leighton Architects who did a site selection report which came out in February 2022, the Aurecon report from August 2022 or even the one that is being tabled, I think, in parliament from the AFL done by the Populous group. Did any of those groups interact with TasPorts -

Mr DONALD - Not to my knowledge, no.

Ms WEBB - Are you aware that some of them have placed the stadium encroaching onto TasPorts sites in their considerations?

Mr DONALD - That doesn't surprise me.

CHAIR - Significantly right in the middle of the port, some of them.

Ms WEBB - Certainly this Populous one utilises the TasPorts area rather than Macquarie Point area. I just wondered, it didn't appear that they had because of those anomalies in what they are presenting, but thank you.

Mr DONALD - I am supremely confident that State Growth in particular have a very good understanding of our requirements and that their input into the management of those consultancies informed the ultimate delivery of what we are now seeing.

Mr WILLIE - Back to the northern access, how will that interact with possibly the northern suburbs transit corridor if you have mass passenger movements through that section of the entry into your property?

Mr DONALD - That would have to be considered as part of any infrastructure planning or development. What has been discussed is the understanding that a connection from the arterial road network through to the port needs to be maintained and continue. I would imagine that as part of the planning and/or design of that infrastructure. There is a whole range of considerations that need to be accounted for, including what you have mentioned.

Mr WILLIE - You would have to deal with the stadium and the northern suburbs corridor?

Mr DONALD - It all needs to be looked at together. Traffic studies in particular only work when you look at the full picture. Otherwise you are going to get half an answer.

CHAIR - Some of it doesn't work, more like, isn't it, if you don't look at it in an entirety, there will be problems somewhere else?

Mr DONALD - You won't know.

CHAIR - Just push the problem up the road.

Thanks, Anthony, for your appearance before the committee. Is there anything you wish to say that you haven't?

Mr DONALD - No, thank you.

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The Committee suspended from 9:56 am until 11:00 am

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Mr ANDREW DILLON, CHIEF EXECUTIVE OFFICER, AFL, WAS CALLED, MADE THE STATUTORY DECLARATION, AND WAS EXAMINED VIA WEBEX.

CHAIR - Welcome, Mr Dillon, to this hearing of the Public Accounts Committee. As you are aware we're looking into the proposed stadium at Macquarie Point here in Hobart. It is a public hearing and it is being broadcast. The transcript will be put on our website once it's available and form part of our public record. What you say is covered by parliamentary privilege, but that may not extend beyond the hearing. Do you have any questions?

Mr DILLON - No, thanks.

CHAIR - If you'd like to introduce yourself. I'm not sure if you want to make any opening statement, but you're quite welcome to, otherwise the committee will go to questions.

Mr DILLON - Thank you. I'm Andrew Dillon, CEO elect of the AFL. I was just hoping to make an opening statement of about four or five minutes if that's okay.

Firstly, I'd like to acknowledge that I'm speaking to you today from the lands of the Wurundjeri people of the Kulin nation. I pay my respects to Elders past, present and emerging. Thank you, Chair and the members of the committee for the opportunity to represent the AFL here today.

Tasmania's been actively pursuing an AFL licence for more than 40 years. There's been an incredible amount of work by so many Tasmanians to advocate for a team. That work resulted in the 3 May announcement where the AFL, alongside the Premier, Jeremy Rockliff, and the Deputy Prime Minister, Richard Marles, announced that, with the support of our 18 AFL clubs, we had an agreement with the state and a pathway for Tasmania to be the nineteenth licence in the AFL and AFLW competitions.

It was a great day for Australian Football followers, the Tasmanian footy community and Tasmania. Finally, a Tasmanian team, based in Tasmania, representing and uniting Tasmanians. On that day, as we've done on previous occasions, the AFL made clear the licence was granted after a binding commitment was signed by the Tasmanian Government to develop a 23,000-seat roofed stadium as part of a revitalised Macquarie Point precinct.

That commitment was made possible with significant funding from the Tasmanian and federal governments and the support of the AFL. Like everyone in Tasmania, the AFL clubs and AFL Commission want a team that is set up for success. Everything we have done with the establishment of this new club is about setting it up to compete on and off the field. This includes the club's playing list, field, training and admin base, the required AFL and government funding commitments and, of course, the club's new home at Macquarie Point.

To successfully exist and compete in the AFL competition, quality stadiums are an absolute entry-level requirement for a new AFL club. There's a stadium benchmark across the AFL competition, every current AFL stadium that hosts more than four games has a capacity of more than 23,000 and has either recently been redeveloped or has future plans on the horizon for redevelopment. The AFL has a roofed stadium in Melbourne and, in partnership with the Victorian Government, we are currently spending \$225 million to improve facilities and to expand the 365-day-a-year capability of the stadium to cater for major sporting, cultural and other events.

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Adelaide Oval has been redeveloped, Optus Stadium in Perth has been built, the SCG has had ongoing redevelopment and the MCG has been constantly upgraded over the decades with plans being developed for a further upgrade.

Having a new stadium isn't a new hurdle introduced for the Tasmanian team. New or fully redeveloped stadiums were a requirement for our most recent expansion of clubs, the Gold Coast Suns and the GWS Giants. As such, a new stadium in Hobart has been a constant in all discussions with the Tasmanian Government and the Tasmanian Task Force. A new roofed stadium at Macquarie Point is a key feature of the Tasmanian Task Force Report in 2019. It was also a key point in Colin Carter's report, and as Colin reiterated last weekend in the *Hobart Mercury*:

We won't get a team without a decent stadium. We can discuss what sort of stadium is needed, but that Tasmania needs a new one is beyond dispute.

Securing funding for a new stadium was one of the 11 identified workstreams along with other items like missed field [inaudible], player retention and talent pathways that the AFL undertook in developing the business case for a standalone Tasmanian team. It was in fact the last hurdle and the commission and the clubs were only able to sign off on the nineteenth license following the announcement by Prime Minister Anthony Albanese of the Federal Government's funding contribution of \$240 million.

The new stadium is critical to the club's financial model and future sustainability, and critical to attracting sports and events tourists, who expect to experience great events and great venues. It is also critical in attracting and retaining the players, coaches and administrators who can and will make a Tasmanian team sustainable and successful.

I think it's important that I reiterate today the clear position of the AFL Commission and our 18 clubs, which is that without the federal and state government commitment to a fully funded, new roofed stadium, the proposal for a team for Tasmania would not have been considered by the AFL Commission or the clubs.

I know there are some who have said they support the team but not the stadium, but we have been and remain consistent in saying there cannot be one without the other. Without the stadium, there would be no team. That was not a new concept and not a new request, nor was it a new condition or a new rule. We have consistently made clear that for a Tasmanian team to be part of the AFL competition, that team must have a new stadium.

Football might have been the catalyst for the new stadium, but we also fully support the Government's clear vision that the stadium will transform Macquarie Point site into a broader cultural, entertainment and sporting precinct. It will be a precinct that attracts events that usually bypass Tasmania, and one that is estimated to deliver significant economic impact and have a further significant impact on tourism, on jobs and in transforming the city and the state. We have seen that firsthand with Adelaide Oval, with Optus Oval, and with Heritage Bank Stadium on the Gold Coast - projects that have transformed communities and opened the door for major cultural sporting and music events.

As part of the agreement with the new team, the AFL has committed to invest \$360 million in building the football pathways across the state and in supporting the Tasmanian

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team. There have been robust negotiations with both the current Premier, Mr Rockliff, and the former premier, Mr Gutwein, who strongly advocated for the team and ensured that the AFL invested in the game at all levels. This has been a thorough, transparent and exhaustive process with hundreds of hours in discussions over many months, with all parties having to moderate their positions and compromise to reach an acceptable solution.

The Premier and his team have done their job to look after the state's interest to secure its own team, and a sustainable team, and the AFL has done its job to set up a team to be successful and to be supported by our 18 AFL clubs.

We fully understand and respect the debate around the stadium and we have seen similar debates in other states over time, but we have also seen the community benefits that a quality stadium delivers for the community and the State. Thank you and I am happy to take questions.

CHAIR - Thanks, Mr Dillon. You made the point that the stadium is not a new idea, it was not a new condition or a new requirement, so can you tell us exactly when and by whom the decision was made that a stadium was part of the arrangement?

Mr DILLON - The stadium was identified first as part of the Tasmanian Task Force back in 2019 and it has been on the horizon since then. As Colin Carter's report also identified, when we started the 11 work streams back in December 2021, securing funding for a new stadium was part of those 11 identified work streams.

CHAIR - Just on that, the task force report and the Colin Carter report mentioned the stadium - yes, I grant you that - but it wasn't a condition, in fact I don't believe either of them said it should be a condition of a team. Is that how you understand it?

Mr DILLON - I think they certainly identified it would be part of it, but yes, not a condition; as we worked through it and then when we identified the 11 work streams in December 2021, securing funding for a new stadium was part of that. The reason for that is that we, the AFL and our clubs, and I think that Tasmanians would want a successful team for Tasmania. The 18 clubs, in particular, who understand how clubs operate and how important stadiums are for the success of clubs, that is where that became.

CHAIR - What are the 11 work streams?

Dr BROAD - Just to be clear, Mr Dillon, are you saying that the stadium became a condition of the licence in December 2021?

Mr DILLON - It was identified as one of the work streams that needed to be worked through in order for a successful Tasmanian team, so as part of the licence process it was identified that we needed the funding for a new stadium to enable the viability of the team.

Dr BROAD - But was it then a condition - no stadium, no team - in December 2021?

Mr DILLON - We needed to sign off on all 11 identified work streams, so whether you would call it a condition or not, it was a pre-condition to bringing the application for the licence to the commission and the 18 AFL clubs.

CHAIR - If you could outline the 11 streams what they all involved, in a minute.

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Ms WEBB - In December 2021, one of the 11 streams was that funding was identified or secured for a stadium. Was that expectation being that the stadium would be from the outset of the new team? Or was there a particular time line on which the stadium will be delivered? Because it sounds like the precondition was funding secured rather than stadium delivered. Would that be accurate?

Mr DILLION - As we worked through, what has been identified is for the team to be successful - we want the team to be successful from the start, part of the condition in the work stream was that we had that stadium ready to go from the start of the team or very close after the team started because we need to attract players, retain players, attract coaches and administrators. We want the team to be successful financially and set it up for success from the start. Also, as part of getting the approval for the licence, we needed to get approval from the AFL Commission but also the AFL clubs.

CHAIR - Could you just outline the 11 streams briefly, what they actually were or are?

Mr DILLION - We had the stadium, we had talent pathways, government funding, community football, the training and admin, infrastructure, the governance model, and player retention. This is just from the top of my head. I could actually get them and take it on notice to get them all for you.

CHAIR - If you could send those all through and any timing.

Mr DILLION - I've got them all for you now if you like: Government funding, club governance, critical infrastructure, a list of establishment rules - how you set the team up and get players because you are starting from scratch -, player and staff retention, home game team fixture, AFL competition impacts, team membership, brand identity, community football, and talent pathways. They are the 11.

CHAIR - This was a question that Meg was also referring to. In 2021, when the stream of the stadium was determined, was that a requirement to build a stadium at a certain place or is it just to have a suitable stadium?

Mr DILLION - At that stage, it was a stadium but I think the process where we ended up with Macquarie Point was that one of the points was that it is close to the CBD. As we have seen, and I think a perfect example is where I am sitting here today at Marvel Stadium, we have got a stadium built back in 2000 but right next to the CBD; and Adelaide Oval back in 2014, and that came on line as the Adelaide closed and Port Adelaide moved from West Lakes out in the suburbs to Adelaide Oval, which is right next to the CBD. It was identified that the new stadium would be close to the CBD and I think there was a process with the Government, with people from the AFL and others where Macquarie Point was landed on.

CHAIR - Can you tell us what date that occurred? The initial expectation was close to the CBD. How and by whom was the decision made so that it would be Macquarie Point?

Mr DILLION - My understanding was that as we worked through the business case for the licence during 2022, the AFL became involved in the government process but it was June to August 2022 when the Government landed on Macquarie Point.

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CHAIR - So you're saying the Government made the decision, not the AFL?

Mr DILLION - We had input but it was June to August 2022 where the Government came up with Macquarie Point.

CHAIR - Have you got a record of that decision being made?

Mr DILLION - In terms of?

CHAIR - The decision point that said the new stadium would be at Macquarie Point. Do you have communication from the Government or did you communicate to the Government at that point to confirm that location?

Mr DILLION - I might have to take that one on notice, but I understand it was announced around that time.

CHAIR - I am just interested in the communication that sits behind it - like letters or emails or other communication that defined Macquarie Point as the site.

Mr DILLON - Again, I would have to probably take that on notice because there has been various amounts of correspondence and discussions obviously between the Government and the AFL during the negotiation or during the work streams and also then when we got to the funding agreement.

Mr WILLIE - In terms of the agreement and delivering the stadium, Mr Dillon, in Tasmania, I am not sure whether you are aware that there are notable projects, whether they are bridges, schools or hospitals, that have been delayed in terms of their delivery time frames. In the contract it requires the Tasmanian Government to pay the club an additional \$4.5 million if the build will not be over 50 per cent complete by October 2027 and another \$4.5 million if it cannot host matches in 2028, which I understand is a compensation payment for not having the stadium available. What happens in 2029 or 2030 if the stadium is still under construction but delayed; will that \$4.5 million payment continue?

Mr DILLON - My understanding is, if the team is in place, that there will be whatever the gap is between, if they were to play at Bellerive or the mixture of Bellerive and the Launceston stadium for that period, that there would be whatever the difference between the projected financial [inaudible] from the stadium at Macquarie Point versus where they're ringing up raiding the government bid [inaudible] part of that, but from an AFL point of view we have been in terms of when do we want the team to start and that is why there is some flexibility that it would be a maximum of only one year not in the new stadium.

Mr WILLIE - If the project is underway but there are serious delays, what I am asking here is whether there is flexibility post-agreement in 2028: if the stadium is still under construction in 2029, will that arrangement continue?

Mr DILLON - I think there is certainly flexibility built in, but for us, for the team to be successful it is really important that we continue the momentum from the announcement back on 3 May, which I think I said earlier was a great announcement for Tasmania, great announcement for the team. What we want tends to be successful from the start the economic viability and the ability to attract and retain players is really important to have that stadium.

If it looks like the stadium is going to be pushed back or delayed, we would then delay the start of the team to link in with that. Maybe a point I would like to make now also is that we have been involved in numerous - from an AFL point of view, we're doing a redevelopment at Marvel Stadium at the moment and that is going to be delivered on budget. We had the redevelopment of Carrara back in 2012, which was delivered on time and on budget, and also the redevelopment of the Showgrounds for the GWS coming in again, delivered on time and on budget. We will be working closely we are on the representation of the project involved with the port stadium and we will be working closely with the Government to have the stadium developed and built in a timely manner.

Mr WILLIE - Do you have any concerns that the Government has changed the planning mechanism they are going to use? They started out with a major projects intention and now they have shifted to a Project of State Significance process which, on appearance, could take a longer time to work through. Have you had any discussions with the Government about that change in approach?

Mr DILLON - We have been made aware of that and, ultimately, I think that is a decision - I understand it was maybe three different ways it could have gone, but it is ultimately a decision for the Tasmanian Government and we respect that decision. We will work in with the Tasmanian Government if required for that Project of State Significance. I think what we really want is the stadium built in a timely manner but set up so that the stadium, which will be a pretty good piece of infrastructure for Tasmania for a long time, is done in the best manner possible.

I think and it is also not just the stadium; it is the whole precinct. We want that stadium to host AFL games, but it should be and it will be a 365-day community asset that attracts all sorts of sporting, cultural and music events, conferences and the like. I think the way that the planning goes is really a matter for the Tasmanian Government and we are comfortable with that.

Mr WILLIE - From an AFL perspective, though, is there a concern that the planning mechanism change in approach will create further delays?

Mr DILLON - When you say that the change as a concern for the AFL, I think with any building, with any planning, even if you're trying to put a fence up, in Victoria can take a long time. I think planning is always complicated and complex. Concern isn't the right word but we are cognisant that getting the stadium built and ready will allow for the team to be successful. We want to build on the momentum of the announcement and not have it unduly delayed. But we understand that the planning process is really important and the Tasmanian Government, by making the decision to go down the Project of State Significance, is a call for the Tasmanian Government to make.

I wouldn't say we're concerned but we just want to work with the Government to make sure that the planning is done in the right way possible so that we can set up the whole precinct so that it is as successful as possible. If that precinct isn't successful, that won't allow the team to be successful and that, from an AFL point of view, is what we want. Our 18 AFL clubs, they want the Tasmanian team to come in. They want it to be competitive. They want it to be successful.

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Mr WILLIE - In terms of the translucent roof, how did that become a condition for the licence? If you read some of the Government's initial work, like the Aurecon report, it's unusual to have a fixed roof on such a small stadium.

Mr DILLON - We go back into for stadium economics to work. I'm a lawyer by training but I've spent a lot of time working on stadia. For stadia economics to work, we need to attract events to Tasmania that you're not getting now. To get those events, you need certainty and I think a roof brings certainty, whether a major sporting event or a musical act. We've got a roof here at Marvel and I think that allows us to attract events that might otherwise go to other stadia in Victoria.

Dunedin is a really good example. It's on the same latitude as Hobart, it was flagged in the taskforce report as well, the roof. Now that Dunedin's got a roof, it's on the concert circuit.

I think the roofed stadium, initially flagged in the taskforce report, we think that the roof actually when a patron is attracted to come to a game, to travel to Tasmania, I think if you know what it's going to be like, it just makes that attraction for patrons to come whether they're in Hobart or other parts of Tasmania or, as the business case says, we will be attracting thousands of people from the mainland to be coming to games. I think the roof is really important for the economics of the stadium to work, which then allows the team to be successful, so then allows the precinct to be as successful as it can be.

Mr WILLIE - Was that a requirement of the AFL or did the State Government put that on the table and say, 'we're prepared to put a translucent roof on the stadium', which adds a lot of risk to the project?

Mr DILLON - As I said, it was flagged in the taskforce report, so it was always on the table from back in 2019 and our understanding from the AFL point of view, for it to work for the team, the roof is really important.

CHAIR - Just on that, if I can just comment on the roof. Noting that Hobart is the second driest capital city in the country, it can get a bit cold but I've been in Marvel Stadium with the roof shut and it's cold. Is the fixed translucent roof negotiable if in the design it becomes apparent that's an issue. Or is that it, it has to be a fixed translucent roof?

Mr DILLON - The approval that the AFL was able to, the business case that went to the AFL Commission and then was ultimately signed off by the 18 AFL clubs was a 23,000-seat roofed stadium at Macquarie Point.

CHAIR - So it is negotiable as to the nature of the roof?

Mr DILLON - Yes.

CHAIR - Okay.

Mr WILLIE - Mr Dillon, has the AFL ever been asked by the Tasmanian Government or the Federal Government to contribute more than \$15 million to the stadium?

Mr DILLON - Not that I'm aware of but it was part of the negotiation of the entire agreement was \$360 million funding commitment from the AFL to support the team and

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football in Tasmania: \$15 million investment in the stadia, which is the largest investment the AFL has made in redeveloped stadia. Optus Stadium and Adelaide Oval, the AFL made a \$5 million commitment. The Showgrounds was \$10 million and Carrara was \$13.3 million. So, a significant investment from the AFL in that infrastructure.

Mr WILLIE - My next question, and we traversed this ground earlier, would the AFL consider alternative sites to Macquarie Point if the information became public that it was unachievable to deliver a stadium at Macquarie Point through whatever planning process?

Mr DILLON - As I said earlier, the approval that we have is for a 23,000-seat stadium, roofed, at Macquarie Point. That's the approval that's been given at a specific -

CHAIR - You said the roof is negotiable, so the location, is that negotiable?

Mr DILLON - No. I think you might have misheard me there. The roof is part of the approval process. So it is a fully roofed 23,000-seat stadium.

Mr WILLIE - If there are issues through the planning process with the Macquarie Point site in terms of being able to build a stadium there, is the AFL open to negotiating a different site?

CHAIR - In the CBD?

Mr DILLON - As I said, the approval process is really clear, and what we said, it's a stadium, 23,000 seats, roofed, at Macquarie Point, and that's the approval that's been given by the AFL commission and the AFL clubs.

Mr WILLIE - If the Tasmanian Planning Commission, for example, come back and say that it's not possible to deliver a stadium at Macquarie Point, what's the AFL's position?

Mr DILLON - Like I said earlier, if we don't have that stadium then the licence conditions aren't reached, so we don't have the team.

CHAIR - There's no room to negotiate a different location for a suitable stadium that meets the other criteria?

Mr DILLON - As I said, and I can't speak for, we're not in a position to renegotiate. The work has been done over a number of years, the site has been identified and that was a critical part of the approval and the business case in the first instance going to the commission. And then, as I said earlier, getting the sign-off from the 18 AFL clubs. It's the site that was identified as the best site for a successful team for Tasmania, and that's we want. We want it to be successful not just in the short term or the medium term, but for the long term. That's where the Macquarie Point site is the site, and it's a key part of the approval process that's been gone through.

Ms WEBB - What level of confidence was the AFL given at any stage during this process, particularly as it was coming close to being finalised and agreed and signed off on, what level of confidence was given to the AFL that the stadium would successfully pass a planning process that it had to go through?

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Mr DILLON - We understood there was a planning process to go through, and we understand that's why there are conditions as part of the agreement. There's always, as I think I said earlier, there's always risks with planning and there's always timing issues. But the Macquarie Point site is the one that's been identified. It's the one that's required for the team to be successful. I understand, obviously, that there's no certainties with the planning process and also where we are now with the Project of State Significance.

Ms WEBB - So the AFL wasn't prepared to contemplate alternative negotiated outcomes in the event that a planning process may not be successful? Presumably that would have been discussed. As you've said, it's a recognised risk getting through a planning process.

Mr DILLON - As we have worked through and as the Government worked through and Macquarie Point being identified as the key site and the site that works and makes the economics for the precinct work but also for the stadium to work for more than just the AFL. But then from an AFL point of view, the stadium at Macquarie Point is at Macquarie Point, roofed, 23,000 seats, is absolutely crucial for the success of the AFL team. That's why the work was done. We need the team to start strong. We need it to remain strong. The Macquarie Point site is the one that's identified, as we've seen in other states, Macquarie Point, analogous to Adelaide Oval, no other stadium here. That is the site that is identified above any others and to the exclusion of others. That is why it has become a condition that it was a really important part of getting the business case or the economics to work for the team to be successful.

Ms WEBB - To come back to my question to you, accepting that you have said it was an identified risk getting through the planning process, my question was what level of confidence was the AFL given by the state Government that it would pass the planning process?

Mr DILLON - I would like to answer but I don't know that one. That is one I would probably have to take on notice. Apologies. I am not sure there was a lot of discussion certainly and I wasn't in every one. So I will save that up. But we have a signed agreement that has the planning obviously as an issue to be dealt with. I couldn't say one way or the other that any promises were given but I can take that one on notice if you like.

CHAIR - If the planning process identified, say, unsuitable ground conditions making it impossible to build a stadium there, does that then mean the deal is completely off, there will be no team? Obviously, no stadium because the planning process has identified that. I am just trying to understand if at that point, if the ground conditions were such that a stadium couldn't be built for environmental or other reasons, then where does that leave the deal?

Mr DILLON - The deal is contingent and conditional upon the stadium, 23,000 seats, fully roofed at Macquarie Point. If any of those, and there are other conditions, but we are talking about the stadium here, then the deal, of course, would fail. The licence doesn't get triggered.

Dr BROAD - How much is the AFL spending on Marvel Stadium?

Mr DILLON - It's a funding agreement of \$20-25 million with an agreement that we agreed with the Victorian Government back probably in 2018.

Dr BROAD - So the agreement was agreed in 2018?

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Mr DILLON - Yes. Then the redevelopment has been going since then.

Dr BROAD - What is AFL's contribution to that?

Mr DILLION - The arrangement with the [Victorian] State Government was that in return for a number of extending agreements to play games at the MCG and a whole host of other things, that the Victorian Government have then provided the \$20-25 million to the AFL for the redevelopment as part of a commercial arrangement we have with the Victorian Government.

Dr BROAD - So the AFL is not contributing? It is the [Victorian] State Government that is funding the upgrades?

Mr DILLION - That's right.

Dr BROAD - Of the \$240 million promised by the Federal Government, how much of that \$240 million are you expecting to be spent on the stadium?

Mr DILLION - My understanding is the stadium build is roughly set at \$715 million, which would be made up of \$400 and a bit (million) from the State Government, in terms of \$340 (million) then I think it's \$85 (million) from commercialisation, there's the AFL's \$15 (million) and the \$240 (million) from the Federal Government. On the estimates at the moment, it would be fully part of the stadium build.

Dr BROAD - Just to be clear, your expectation is that the \$240 million from the Federal Government, all of it is spent on the stadium?

Mr DILLON - My understanding of what the stadium build would be at the moment is that, yeah, that would be right.

Dr BROAD - Chair, if it is okay with you, I would like to talk about some of the clauses in the contract itself?

CHAIR - Can I just follow up on that last one you asked. Being as the way that the Federal Government funding was described in the Federal Government budget papers, that would indicate, it is called a place-based co-investment, which means that it is to deliver a function, effectively, that the state has a responsibility for and would not attract an exemption from the GST. It would be considered in our GST. So effectively, if the state uses it this way, it would be clawed back. The Federal Government description of it would suggest it's not entirely for a stadium. I just want to clarify that you believe from your discussions with who, that the whole \$240 million from the Federal Government is to be contributed to the build of the stadium at Macquarie Point?

Mr DILLON - To start with, the AFL is not a party to the Federal Government agreement, so that is all I can say. But my understanding is that that is how it would work.

But I know there are provisions in the agreement that if the build is not \$715 million that there is not an obligation for the Government to spend up to that amount. I think ultimately those questions are really for the Tasmanian Government and Federal Government.

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Dr BROAD - About the contract clauses, especially 11.5, which is failure to reach a negotiated agreement at the end of the initial 12-year period: I am wondering why the AFL has inserted that clause that gives the AFL the power to basically can or relocate the club after 12 years? We could go through this whole process, have a stadium at the waterfront and no footy after 12 years.

Mr DILLON - I will start by saying, which I have said a number of times, is that with the stadium, the way that the club's going to be built, we want a successful team for Tasmania and we will have a successful team for Tasmania. You already have a licence for a team to enter into the AFL competition. It is not a decision the AFL commission takes lightly. Since the AFL commission came in in 1984 there has only been seven additional licences granted. The decision to grant a licence is a generational decision, like we did with Gold Coast, like we have done with GWS. That's why we have been so specific about the 11 work streams, in particular the stadium, because it is so important for the AFL when we grant a licence to come into the competition. It is not something we take lightly, it is not something we do lightly.

The way the agreement is structured, our hope is to ensure alignment between the AFL and the Government as long-term partners in the club because there's significant investments which we acknowledge from the Government but also from the AFL into the team.

The clause you are talking about, it is really for the parties to meet together after 12 years to then move forward about what the future funding for the club will be because the commitment from the Tasmanian Government in the initial instance is for funding over 12 years.

We understand that we will probably require long-term funding from both parties to ensure the team remains successful. But that's the thinking from an AFL point of view. It's a generational decision, it is not one that we take lightly and what we are working towards is a long-term partnership with the State Government and with a successful team in Tasmania that goes on in perpetuity. But, as I said, because these are such important decisions and not ones we take lightly, it is a provision that we have but not one we are thinking that we would be enacting.

Dr BROAD - Why did you insist on the clause then? It is absolutely weighted in the AFL's favour that at the AFL's sole discretion the team could be cancelled or relocated. You are talking about an intergenerational decision and yet, basically, that clause gives the AFL the power to relocate or terminate a team at its sole discretion. I think if you were talking about intergenerational changes then maybe that clause would have been worded a little differently.

Mr DILLON - I think it is important to then look at, it's the 12-year funding agreement, it is in line with that. We could not expect a Tasmanian Government or anyone to provide funding in perpetuity. So, what we need to say, potentially, from an AFL point of view, is to protect the interest of the competition. That is the reason for the clause. As I said, it's a generational decision, it is a team for Tasmania. We think we have got all the building blocks to make this team successful.

Dr BROAD - The way that clause is worded is if the State Government is not willing to put in the operational funding that the AFL deems appropriate, then you can cancel or relocate the team.

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Mr DILLON - That is what the clause says but we want a successful team for Tasmania. It is a generational decision and it's linked to the funding arrangements and it is a successful team for Tasmania in Tasmania.

Dr BROAD - But can't you also see how that gives the AFL the whip hand over the future of the AFL team because you can basically ask the Government for a significant uplift in operational funding? If that's not forthcoming, this clause gives you the power to cancel or relocate the team. Isn't that significant power when it comes to the renegotiation? You've given yourself the ultimate control over the future of the team after 12 years.

Mr DILLON - That is right but the AFL isn't - the State Government funding is a fixed amount going up by - and then the AFL takes the risk on all other parts of funding that team. As I'll come back to, we want a successful team in Tasmania, for Tasmania - a generational decision; but because we only have the funding for that 12-year period, that's why that provision's in there. We see this as a long-term partnership, hopefully in perpetuity, and as I said previously, awarding a licence isn't something the AFL takes lightly - it doesn't and it won't. A team, 12 years playing in a brand-new stadium at Macquarie Point, I don't think it is something that we're going to have to be dealing with.

Dr BROAD - You just said that the AFL is taking on operational risk for the Tasmanian team, whereas the agreement specifically hands all the risk to the Tasmanian Government. Where is AFL's risk in the operation of the team?

Mr DILLON - In the operation of the team? The funding of the stadium is different but for the ongoing operations of the team, the Tasmanian Government's funding is a fixed amount that goes up by a [inaudible] amount over a 12-year period. Any gap between that and what it costs to operate a team sits with the club and then ultimately the AFL.

CHAIR - Can I just follow up on that, Shane, with this cost of the operations of a team. I note in your annual report, the distributions to AFL clubs and obviously the Gold Coast Suns and GWS Giants get the lion's share of that - GWS \$28 million plus and \$27.5 million for the Giants. Is that the full operational costs of those teams or do they have other funding sources that take it up to a total amount, and what is that if you're aware? I'm just interested in how much the Tasmanian team might get at the bottom of this table.

Mr DILLON - Those amounts are the AFL distributions to those clubs and then they - Gold Coast runs Heritage Bank Stadium, so they have additional revenue coming in and then - that doesn't include their corporate sponsorship and the like, so they've got other funding sources other than the AFL. On our estimates at the moment, it will be \$50 million to run the Tasmanian club, so \$12 million will be Government funding, \$20 million will be AFL funding and then the remaining \$18 million will be revenue that's derived from commercial partners and the stadium and the like, membership. That's roughly how we see the funding going but if the revenue doesn't hit where we need it or the cost to run the club becomes more than \$50 million, that's where the risk then sits with club and the AFL to bridge that gap if it ends up becoming more than that. So, out of the \$50 million to run the club annually, \$12 million will be from the Government; the remainder will be up to the club and the AFL to fund.

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CHAIR - You talked about \$18 million from commercial and sponsors and the like. If the State or the team is unable to attract those commercial and sponsorship dollars, noting that the State's paying \$12 million and escalating in notional sponsorship, who carries that risk?

Mr DILLON - That sits with the club and then ultimately the AFL.

CHAIR - So if the club can't raise that, the AFL picks up the tab and so we see a bigger proportion of it, like we do for the GWS and the Gold Coast Suns and the Lions have got a decent share and St Kilda.

Mr DILLON - That's right but I think we - our modelling shows, and the way that we would see this club running with 90,000 people signing up and even just going back to 3 May and how many - the excitement around the announcement of the licence, we really think that won't be an issue from an AFL point of view and we are really clear on that. And the stadium, obviously, is a really important part of the economics of that team to enable it to be successful, to enable it to attract and retain players, and to compete in the AFL competition from the first day. We are looking at, there will probably be 30,000 members, so it will be a team that I think will start off strongly and we are keen. But I just wanted to make that point, that that operational risk does sit with the AFL.

Mr YOUNG - We have been speaking about the agreement. Given that there's a couple of other agreements in the last few years, how do you think the level of the transparency and disclosure of the Tasmanian agreement compares to the rest of the ones so far?

Mr DILLON - I think that the transparency of the process, we have been in the media a number of times talking about what the conditions were. But I think, importantly, the fact that the majority of the funding agreement between the state and the AFL has been made available publicly, pretty much unredacted, is a level of transparency that I haven't seen in my time in the AFL, 23 years. So, it is a great amount of transparency in terms of what the contract is and I think that's a good thing and I think it's also a point worth noting as well.

Mr YOUNG - This is a more a personal question, under indulgence. How excited is the AFL for a new Tassie team?

CHAIR - Can you keep your answer short because there are other important questions we need to ask, with due respect.

Mr DILLON - I have been at the AFL for, like I said, 23 years and that announcement on 3 May at North Hobart Oval was actually one of the great dates. To announce the team but then almost straight away - Warner Brothers, we've got the nickname, the colours are known, it's a club that's already got a heart and a soul from day one. So, we are really excited about it.

From my point of view; coming into the role as a CEO, for me to be then part of bringing in a team for Tasmania is really exciting. I think it allows us to have a national competition which will then be underpinned by a national code and overseen by a national organisation.

But we don't take lightly having a team based in Tasmania. It is so important for the AFL. But, as I've said a number of times today, it is going to be a successful team for Tasmania and it is going to work, and that is why we have been pedantic, if that's the word, about the stadium. It's really important for the economics and it's important that the team comes in and

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is successful. And as I've also said a couple of times, it's not a decision that we take lightly, granting a licence. It doesn't happen that often, so -

CHAIR - With respect, we are getting repetitive, I would like to move onto other questions if I could.

Mrs ALEXANDER - Mr Dillon, I am going to be quite quick with my questions because I know 12 other people are also wanting to ask you their questions. I'm based in Launceston and, obviously, there has been an announcement as well around the refurbishment of the UTAS Stadium where a lot of games have been played. The refurbished stadium here will have a capacity of 27,000, as opposed to 23,000 in Hobart. Why is it that UTAS is not considered a good option for the new AFL team in Tasmania?

Mr DILLON - Well, I don't think it's not considered a good option. What we see is that UTAS, we'll be looking to play four games a year there for the men's and the AFLW, I think, we would be playing games up there as well. It's a great stadium, we appreciate that there is going to be an investment in there to make it an even better stadium.

But there is the going back to 2019 taskforce report. That was what nominated Hobart as the home where we play slightly more than half the games. But, by having the spread between Hobart and Launceston, I think it's great for Tasmania. I think the Launceston stadium is a good stadium and it will be a great stadium with redevelopment.

Mrs ALEXANDER - You indicated about 30,000 members expected to be signing up to support the new team. How is 30,000 members reconciling with a stadium capacity of 23,000?

Mr DILLON - With members up in the north, members in the south, and we see in Victoria we've got clubs with 70,000 members who play out in 54,000-seat stadiums, so it's not an irreconcilable difference.

Mrs ALEXANDER - Lastly, and apologies if it's a repeat question: how much influence did the AFL have in selecting out of three options or directing the State Government as a preference towards Macquarie Point?

Mr DILLON - We were involved in discussions with the Government but, ultimately, it was a decision by the Government and announced by the Government. It was the Government's decision for Macquarie Point. It's a decision that we are comfortable with because we think it's the spot where we're best placed next to the CBD for the stadium to be successful, for the team to be successful, but also to revitalise that entire Macquarie Point precinct. It was a Government decision.

Mrs ALEXANDER - Right, so it was a Government decision and AFL did not have an influence in it?

Mr DILLON - I think that's a decision for the Government but we were consulted on it and we were happy with the decision that was made.

Mrs ALEXANDER - The reason I'm asking this is because there is a briefing that was prepared for the Premier by Kim Evans, the Secretary, back in July last year. It indicated that

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at a meeting with the AFL on 9 July, the AFL proposed that it would like to undertake further analysis of the Macquarie Point site as a potential site for Tasmania's new arts, entertainment and sporting precinct. It appears that following that meeting on 9 July, additional work was requested from the State Government to be undertaken in order to compare Regatta Point with Macquarie Point.

Mr DILLON - I wasn't in that meeting but it was the top of the list from the previous report, the Macquarie Point site and we agree with the Government that it is the best site. I think that is one of the reasons why the Commission's made the decision which, as I've said a few times, we don't take lightly because the Macquarie Point site is such a good site. It works for the economics for the AFL club, the Tasmanian team, but I think it also works for the stadium to then attract all sorts of different events and revitalise the precinct. We certainly agree with the Government that it is the best site.

Ms WEBB - I'll follow on from that. Across the process, as that decision was being made by the State Government with input from AFL and interaction with AFL, by the sound of it, what understanding was AFL given about community sentiment in terms of the use of that site? At what point were there discussions and what were those discussions around community sentiment about that particular site for the stadium?

Mr DILLON - I probably won't go into the direct discussions but I think with any development, and we've seen it particularly with Adelaide Oval but even in Perth, I think any change, there's always community sentiment one way or the other, so this isn't something that's a surprise to us. But I think processes like this one and the process that we'll go through in the planning are really important for community concerns to be taken into account as part of those processes.

We've seen it, particularly in Adelaide Oval - it was the move from West Lakes into the CBD. There weren't many proponents at the start but there's a lot of people putting up their hand now saying they were behind it the whole way, as we've seen how well Adelaide Oval operates and how important it's been for the success of Adelaide and Port Adelaide, in particular.

So, I think it's a great spot [inaudible] but we understand that the community also has to see the benefits as well. We understand with any change that there will be concern but I think they are concerns that these processes can help allay.

Ms WEBB - Is it AFL's understanding that, in terms of the degree of community sentiment at the moment in this state, are you aware of the polling that has been done over recent months around community sentiment on that particular site?

Mr DILLON - I am not aware of specific polling. I am aware of concerns. Going back to 3 May, the announcement of the team was unbelievably well received. We think the stadium is going to be great for the state. But, as you say, we do know that we have to work through those concerns. We also know that there are supportive groups setting up Facebook sites and things like that, where we've got 15,000 people signed up to that. We are aware that this is a process to be played through. But we think for the team to be successful, it needs to be playing out of that stadium near the CBD at Macquarie Point.

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Ms WEBB - Your indication is that should the project not get through the planning process it has been flagged for then the deal is dead, essentially. Given that, is AFL already expending money and investing into the establishment processes for the club and whatnot ahead of a decision in the planning process? Or is it something that you are delaying until after that planning process decision?

Mr DILLON - We have to be conscious of the planning and how that works for the build for the property. We would sort of work backwards from when the club is indicated to start, about where our investment is going. But we will be making significant investments into talent pathways and academies. That is sort of starting from now. They are investments now that would be paying fruition for when the club starts. So there will be investments for the setup for the club that would be happening. But that would be investment that would be happening anyway.

Ms WEBB - Can I just clarify with you that if the stadium project doesn't make it through the planning process and therefore the deal is dead, any investment that the AFL has made to that point, what occurs in relation to that investment? Does the Tasmanian Government have to repay that or provide some sort of guarantee over that?

Mr DILLON - My understanding, again I might take this one on notice. But the types of investment that I was talking about, that is investment we would be making anyway, increasing investment in Tasmania. Tasmania is a really important state for the AFL from community football, talent pathways. That is investment the AFL is making. It will just be increased as the club starts to come to fruition. There is going to be increased investment in Tasmania from today.

Ms WEBB - Regardless of the ultimate outcome of the licence and the stadium?

Mr DILLON - That's right.

Dr BROAD - The original deal that the three Labor, Liberal and the Greens signed up for was a deal with seven games in Launceston and four in the south. Now the deal that was signed flips that to four in the north, seven in the south. What is the AFL's expectation when it comes to the major content, the big drawing teams like Collingwood, for example? Where do you expect those sorts of games to be played?

Mr DILLON - It is a good specific question. I think what we would see is a mixture of teams in both parts of the state, playing out of Hobart and Launceston, like we do everywhere else. It would be spread across and there will be a whole host of things that go into when we are doing a fixture. We've got everything from broadcasting preferences to interval minutiae, six-day breaks and things like that. It will be a mixture across both stadia in terms of the types of teams that will be playing in those as the away team for Tasmania.

Dr BROAD - No other team would have the same circumstances of being based, a seven versus four split. I know some teams play one or two games elsewhere.

Mr DILLON - GWS play seven games at the showgrounds and three or four in Canberra. It is not dissimilar to what we are talking about. The Gold Coast play at the moment nine games on the Gold Coast and two games in Darwin. Hawthorn at the moment have got the seven games in Victoria and four games in Tassie, and North Melbourne has the same, seven

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games in Victoria and the four games in Tassie. So, it's something that we deal with quite regularly and have been for a number of years.

Dr BROAD - I suppose in the case of the Hawthorn deal, we are not seeing big-drawing teams come to Tasmania.

Mr DILLON - Again, I think there is a mix of teams that come down to Tasmania. But if you look at GWS, where they are playing effectively within New South Wales and ACT, there is a spread of teams that play out of the showgrounds and a spread of teams that play at Canberra. We just saw the Gold Coast play a couple of games in Darwin against strong opponents in the Western Bulldogs and the Adelaide Crows.

I think what we will see across Launceston and Hobart is a mix of teams, which will be the best fit for both the stadia.

The other point to make is that with a Tasmanian team, you will get the big Melbourne clubs down here every second week or when they are there. You'll get the Adelaide Crows and the Brisbane Lions but you will also get the Collingwoods and Richmonds and Essendons down playing in Tasmania, playing at Hobart or playing up in Launceston.

Mr WILLIE - To clarify, is it your understanding that we will see Essendons and Collingwoods and Richmonds playing out of Launceston?

Mr DILLON - As I said, I think there will be a mix and it will depend on the times of the season where we decide to play in Hobart, where we play in Launceston. I think that they are decisions that will be made, the Tasmanian club, the way our fixture process works, is that the clubs come to us with preferences for where they want the games to be played. It will be in the hands of the club, really, as to where they want the mix of games to be played. But the way we see it, working with the seven-four split, we will get a spread of clubs in both parts of the state.

Mr WILLIE - In terms of the attendance numbers in Tasmania, the Hawthorn games have been quite well attended over the journey. North Melbourne games in Hobart not so much. Has the AFL done some regional analysis on population catchments? And have you got some expectations in terms of attendances at the two different cities?

Mr DILLON - I think what we are really confident in is that a Tasmanian team will attract, obviously, Tasmanians in large numbers. But what we also hope to see and what we will see will be visitors from Victoria coming down to watch Essendon play, whether it is at Launceston or whether it is in Hobart. We see them coming down to Tasmania in big numbers. Over the journey we have seen some big crowds at Launceston, that sort of 17,000 to 18,000 as a base. And I think we will be going from there. But with the new stadium at Macquarie Point, I can see that being close to sell-out, really popular, and then the increased capacity in Launceston, I think, will be a great attraction for the club and for people to come down and watch those games as well, watching and supporting a Tasmanian team.

Mr WILLIE - So you do not see travel times from the north-west coast, five hours each way, as an issue?

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Mr DILLON - I wouldn't say it is an issue. We do see people coming in from regional Victoria for games, the journey. I understand that the JackJumpers are attracting support from all over the state, based out of Hobart. I have seen that with the Big Bash team as well.

CHAIR - The decision of Tasmania to have to wait five years before we actually get a team into the AFL, how was that decision made?

Mr DILLON - That was made as part of the 11 work streams. It is linked to the stadium. But it is also linked to making sure that we have the best [inaudible] and retention and getting the talent up. So, the stadium is an important part of that but it is also getting the training, the admin, the facility in place as well, so that when Tasmania is looking to attract players who are currently in the AFL system, that the players can see that there's infrastructure there to allow them to be the best players that they can be and to see that 'I'm going to be going to a club that has all the building blocks in place'. It is important and we are starting to see investment in Tasmanian talent coming forward. We've got some highly credentialled Tasmanian boys in the draft this year but we want to continue to invest in the talent so that we can end up with a team that's 25-30 per cent or more homegrown Tasmanian talent but also having ability to attract and then retain players through the national draft as well, or free agents after the eight or 10 years that they've been in the system.

Five years is what we see to enable the team to start and start well, and start strong and be competitive from the first day. Those are the important part for the 18 clubs to see; they want the team to come in and be competitive from day one. They don't want to see a sort of a three or four-year burn once they come in. We believe that having that period allows us to set the club up, have the training and admin facility, have the stadium ready to go, have a redeveloped Launceston where we can have a team that starts strong and remains strong.

CHAIR - On that point, the Brisbane team, the West Coast, Adelaide Crows, Fremantle Dockers, Port Adelaide, Gold Coast Suns, all those teams that came in over the recent generational processes, they were playing their first AFL game within two years of coming in. Why is it different?

Mr DILLON - We probably won't go all the way back to West Coast and Brisbane Lions because AFL in the 1980s and the '90s was a very different competition to what it is now. With the draft and the salary caps having been in place for the period they are now, we're taking the learnings from Gold Coast and GWS. I think they were three or four-year builds anyway from the time we announced them to playing the first game. GWS was certainly, I think, four years. Maybe Gold Coast was three. But what we want is a successful team from day one and we're taking the learnings from Gold Coast and GWS where, when they started, they were in demountables, they found it hard to attract. They got a couple of high-profile players but they didn't attract maybe as many as what would have been required to be competitive from day one.

We've taken the learnings from Gold Coast and GWS to add a year or two but we think that investment here pays off because we start, as I said a number of times, we start strong. The Tasmanian team starts strong and stays strong. The AFL, what we want is a competition where all the clubs are competitive. We don't want an expansion team coming in and being easybeats for a number of years. We want them to be competitive from the first day and we believe that this time period sets us up best, particularly for attracting players from existing clubs.

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CHAIR - On another area, you talked about attracting events. You've spoken about it a couple of times. This is one of the key things you say is part of the stadium in terms of its financial sustainability as well. What do you base your comments on? Who have you spoken to in terms of those who may attract events? What other sports are you talking about that you are making the assumption will play at this stadium?

Mr DILLON - My understanding is that the Government has had those direct conversations but I can talk from what we see here at Marvel Stadium, with the types of events that are attracted to it, which is concerts and the roof being really important for that. But we have everything from university graduations, we've had motocross, we have the Matildas playing a game here in a couple of Fridays, we've had Bledisloe Cups. Back in 2001, I remember seeing the British Lions play here. We've had rugby league games, we've had the Melbourne Storm here, we've had A-League games. So, I think that's the AFL's understanding of the stadium -

CHAIR - Can I just stop you there for a second. As I understand it, the last A-League match was played in 2021 and nationally they now prefer to play in purpose-built stadia because of the issues with their retractable seating. The last rugby league match was played there in 2012, much further ago, and there's been one rugby union match there in nine years. I'm hearing a different story.

This is thrown about by the Government. The Government have acknowledged that they haven't spoken to the major events promoters. So I'm not sure how these statements being made about this massive event attraction stacks up when I haven't seen any evidence. I'd be really happy if you could provide evidence of that.

Mr DILLON - Yes, the Government's had those direct conversations but I think you can look at Dunedin as an example that has attracted concerts. At Adelaide Oval, as another example, that had State of Origin there just the other week. We have the Melbourne Storm playing here in two weeks' time, we have the Matildas here on 14 July at Marvel Stadium.

Ms WEBB - A quick question in relation to the training and admin facility. Is there an expectation from the AFL about the proximity of that facility to the main stadium in the CBD?

Mr DILLON - My understanding is that there is a number of sites that have been identified. AFL is going to make an investment of \$10 million into that facility but, ultimately, it is a decision for the Government to make as to what the right site is. We would like it in proximity to the CBD but, ultimately, it is the Government's call.

Ms WEBB - Yes, but the AFL has been pretty specific about its requirements in terms of location for some of the other matters, like the stadium. So, does the AFL have a kind of no-go zone beyond which it would not be acceptable to put that facility. Is it 10 kilometres, is it 20 kilometres?

Mr DILLON - I think we are flexible on that. What we want is a training and admin centre that is set up to allow the team to be successful. I think that is the number one thing so it is not as important as the stadium. I think it is getting it in the right position so that you have got the right facilities, as I say, in proximity to the CBD but that it is one where there is a greater degree of flexibility.

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Ms WEBB - In terms of the funding of the facility, my understanding is it is \$10 million from the AFL, at least \$40 million from the state Government. Anything beyond that is cost on the state Government. Is that funding mixed similar to the expectations that have been in other locations for these sorts of training and admin facilities?

Mr DILLON - The \$10 million investment from the AFL is a large investment for us in a club training and admin facility. But about \$50 million gets you a higher quality training and admin facility, and that will help in attracting players and retaining players. So, we think it is the right amount and the funding is not dissimilar to what we have with others but from an AFL point of view it is at the larger end of an investment that we would make in a club training and admin.

Ms WEBB - I am mostly interested in the proportional mix, with the state Government putting in four-fifths and the AFL one-fifth. Is that proportional mix of funding into that sort of facility similar to what has occurred in other locations where a state Government has largely funded the bulk of it?

Mr DILLON - In the majority, the State Government funding would be a higher percentage.

Ms WEBB - What would be a similar percentage contribution from state governments elsewhere?

Mr DILLON - I do not want to guess so I would probably take that on notice.

Dr BROAD - On that, the deal says that the TA facility's owners are still to be determined. Do you have a view on who should be the owner of the training facility?

Mr DILLON - Again, we do not have a strong view. It is one that we had a discussion with the Government as to whether it is the Council that is the ultimate owner or the Government.

Dr BROAD - But not the team or the AFL, or anything like that?

Mr DILLON - The ultimate underlying owner of the land would be whoever it is on and we have got a rental or a leasehold position in place.

Dr BROAD - We know what the rent is going to be. It's going to be \$1. So, there has been no further discussion on the ultimate owner of the training facility?

Mr DILLON - No.

Mr WILLIE - In terms of the governance structure of the team, in an email to Gill McLachlan, the current CEO, the Premier said that it is also a condition precedent that the club must be supported by Tasmanians to be successful and, to be so, it must not just be seen as Tasmania's team but to operate as a truly Tasmanian team with governance reflecting the enormous investment our Government will provide to the AFL. The AFL will control the board. Has the Premier's statement here to the current CEO been ignored?

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Mr DILLON - No, it hasn't. The State Government has got the ability to appoint two of the board members, which is not something that we see in any other of our clubs in terms of the governance and the AFL's rights. Overseeing that will be a nominations committee that's got input from both the AFL and the State Government in terms of setting up the board. But once the board is put in place, it then runs independently of both the AFL and the State Government.

We've got similar governance models in a number of our clubs - GWS, Gold Coast, Swans and over in South Australia. We see them running, they run independently in the way it works. We have as robust discussions and relationships with those clubs as we do with any of our other clubs. I think it has been taken on board and there's no other governance model where we have a funding partner that gets to determine two board seats.

Mr WILLIE - But it's a different model to many of the other clubs where you have a membership base that helps to appoint the board. The AFL ultimately controls the first appointments here?

Mr DILLON - Yes, in the establishment phase, but it's no different to the setup of Gold Coast and GWS's board and others.

Mr WILLIE - It doesn't really reflect the Premier's statement to the CEO, though.

Mr DILLON - I think what we end up with is a team that is representing Tasmania. I think the governance structure is something that will allow that club - again, for us, we're setting up the football club to be successful, a successful team for Tasmania in Tasmania. I think the governance setup, which was negotiated with the Government, sets us up for that and does reflect the input and the funding commitment from the State Government.

CHAIR - We need to wrap up. We've held you longer than we said we would so I appreciate you not just leaving on us, pressing the leave button, Mr Dillon. Thank you for your time. We will write to you with those questions on notice and ask you to provide those at your convenience as soon as possible. Is there anything you want to say before we finalise this? Is there something you wish you'd said and didn't?

Mr DILLON - I'll just thank you for the opportunity to appear before you today. Hopefully, we were able to clarify any points and issues that you had. I appreciate the chance to be here today. One of the questions earlier, we are really excited about this team for Tasmania and we just want to continue to move forward. I think it's a really exciting time for the AFL and for Tasmania, in particular, so, thank you very much for your time and I really appreciate the opportunity to appear here this morning.

THE WITNESS WITHDREW.

The Committee adjourned at 12:18 pm.