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**THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS
MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON
WEDNESDAY 4 FEBRUARY 2026.**

MACQUARIE POINT STADIUM COSTS AND GOVERNANCE INQUIRY

The Committee met at 1:02 pm.

CHAIR (Ms Forrest) - Thanks, both of you, for appearing before the Public Accounts Committee hearing. This is the first of our hearings into either side of the delivery of the Stadium, as was referred from the House of Assembly last year. I think you're pretty familiar with the process. Unless you've got any questions, I will get you to do the statutory declaration. I understand, Anne, you want to present a PowerPoint presentation and speak to that. Then we will go to questions.

Ms BEACH - Yes.

Mr **KIM EVANS**, CHAIRMAN, MACQUARIE POINT DEVELOPMENT CORPORATION, AND Ms **ANNE BEACH**, CHIEF EXECUTIVE OFFICER, MACQUARIE POINT DEVELOPMENT CORPORATION, WERE CALLED, TOOK THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Do you want to make an opening statement before we start?

Mr EVANS - I will quickly say, at the outset, it's a great opportunity for us to present to you at the first of what will be many inquiries, and to give you a brief update on the project and what's happened since the passing of the order. We thank you for the opportunity to give you that briefing. It will be fairly brief, but it's an important opening scene-setter for the discussion.

I won't say too much. Obviously, a lot has happened since the passing of the State Policies and Projects (Macquarie Point Precinct) Order 2025 on 4 December [2025]. We've got a pretty comprehensive update on what's happened since then. I will also talk to you a little bit about the plans moving forward. Not surprisingly, we were well prepared when the order passed the Parliament to hit the ground running and we've already gone straight to market with a couple of early packages to progress preparatory works. We will talk to you about those, as well as the Stadium contractor delivery itself, the main contract.

The expressions of interest for the Stadium contract opened on 10 January [2026] and they close next week on 11 February [2026]. That's the first part of the procurement process. It will be followed by a two-staged request-for-tender process. We will walk you through the details of how that's planned to operate.

We're also undertaking current works onsite, including the construction of the roof test rig, which comes about through discussions with Cricket Australia and Cricket Tasmania. It is jointly designed. It will include the ethylene tetrafluoroethylene (ETFE) roofing material that's planned for the Stadium. That work, as I say, is underway.

Unfortunately, today we can't use the welder because of the fire ban, but aside from that, that's all going very, very well. We will talk to you a little bit about the work on the test rig as well.

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Of course we will be happy to answer any questions. A lot of the questions that you might have we are still working through, so there will be detail that we won't be able to give you comprehensive answers to today, but progressively over the next couple of months we will be able to shore up some of the information we give you.

We have a presentation that our CEO, Anne Beach, is probably best placed to make. Anne, can I invite you to do that?

Ms BEACH - Thank you. It will be brief as a bit of an update. There are a couple of things you have in this pack. I have copies for the Committee, and can send them electronically too, if that's helpful.

As an activity update, there are three streams of work. The procurement work and tender work, as the Chair said. The conditions - there are 157 pages in the Stadium order and a lot of conditions at different times. We've been mapping through that work and the preparatory works on site that the chair mentioned.

As part of the referral, governance was important, so we will give an overview of the governance, the project budget and the costs to date - so I have the spend until the end of December [2025]. Then we have a bit of a snapshot and a few other things to table that might be useful for the Committee.

Zippping through that, as the Chair said, there were two packages of works that we released straight after the order's approval. These are to prepare the site for the development. The bulk excavation is looking particularly at the Stadium footprint and the removal of those materials, so it's the removal and transport of those and has just closed. We're in the process of starting the assessment of that one - and the Goods Shed relocation that is currently onsite. It's a process to document and have approval from Heritage Tasmania around how we pack that down, dismantle, store and then rebuild. That has just closed. It closes in an hour.

Then there's the main game, as the chair said. This was released on 10 January [2026]. I will quickly explain that process because it is an expression of interest we started and then it will move into the request-for-tender stage. There are two volumes that make up the expression of interest. Volume 1 explains the process and the actual assessment and volume 2 is all the returnable schedules and guidance on doing that. One of those, in particular, is the economic and social benefits statement, of which I have a copy to give to the Committee, thinking it would be an area of interest.

The EOI process intent is to go through a capability assessment and then select down to two parties to go into the request for tender. It will only be issued to those selected and then it will go through a two-stage process. We're looking to commence the request for tender at the start of April [2026]. It will then be about 18 to 19 weeks for the assessment period. That's when the more detailed work happens, which will be costing, putting together a methodology to deliver against the detailed plans. For the last phase, which will be around September-October [2026], we will look to select down to one, although I reserve the right to do both if needed to then firm up some of the detail that's been provided. That was something that came through the market-sounding process to make sure there was enough time to engage with the local market. By selecting down that means we can minimise exclusivity impacts on the market and make sure we can get maximised participation.

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The economic and social benefits are 30 per cent of the assessment - that's a mandate of Government requirement. To make sure that was well understood, we have included a dedicated attachment which I can table now if that's useful, Chair?

CHAIR - Yes, thank you.

Ms BEACH - It sets out exactly how we're going to assess that 30 per cent, so we're not leaving it up to chance or any confusion from different parties. There are six elements that are weighted, obviously, within that so the 30 per cent will be assessed this way.

Maximising Tasmanian job opportunities - you'll see in this checklist I've just provided that it has a prompt and then it has some questions that help inform the thinking. The first one is looking at the current Tasmanian presence and how there will be opportunities to maximise.

Number two is where goods and services will be sourced. It's looking for where are there going to be opportunities to source some of those materials and services from within the state. This is at an approach level because we are just at EOIs, and not detailed volumes or details.

The third one we've included there, which is 20 per cent, is opportunity for Tasmanian small-to-medium enterprises. Given the nature of our industry, this is really important. It's an area we want to focus on and something we've discussed with the Tasmania First Taskforce around the importance there.

The fourth is skills and training. It is a requirement to report in the Tasmanian Government Building and Construction Training Policy that 20 per cent of all labour hours are for apprentices and trainees. That's a base reporting we will do. In addition to that, we will be looking to report on what is the actual participation of Tasmanians.

An important piece of feedback we've had from industries is we need to count not just those who are primarily employed by the lead contractor, but the subcontractors as well, because that's where we get the growth and the longevity in our local market. We will be looking to report on both those things.

The fifth one is broader social and economic benefits. Looking at the different spend, there are some prompts here around the opportunities for participation of women, for youth workforce, people with disabilities and making sure they're thinking broadly about how they can have an impact in the state.

The last one is on local innovative solutions - how they will be looking to engage with industry in that way. All applicants will need to - this is a required returnable schedule and it makes sure we have informed assessments on how we're going to assess that 30 per cent.

One of the other key work strings I've flagged is the staging plan - sorry, the condition work. This is just an example of some of the conditions and plans that we're required to create through the order. I've just highlighted there the staging plan because it's the most important at this stage. We're required to set out a staging plan that outlines the stages and maps each of the conditions to those stages, so we can indicate when they will be met throughout the process.

That actually has to be approved, so we've drafted it and submitted it to the Secretary of State Growth, who's required to consult with the Director of the Environment Protection

Authority in working through an acceptance or seeking any amendments to that plan. Just as an example, we have four stages we've articulated at this stage. Stage one is the bulk earthworks; stage two is the Goods Shed and Red Shed removal. They're not start-finish - those two stages will obviously run in parallel. Stage three is the main construction, which will likely break into substages going forward, and stage four is operations.

At this stage we're only seeking approval for what's required for stages one and two, and then we will provide further analysis and detail for stages three and four before they commence. We have mapped every condition to a stage. This is just a snippet from what's in the staging planning in our spreadsheet that goes through for every condition and item that's listed in the order, where we think that fits.

You will see for some of them, they happen multiple times. For example, the construction environmental management plan will need a relevant plan for every stage. It's not a one-off requirement.

The first two stages are outlined in that plan. The most relevant at this stage is stage one, the bulk excavation. That's shown in purple - the area that's identified for that. There's a little dotted line that goes near the Goods Shed. For the works on the other side of that to commence, stage two needs to have been activated. Stage two is the removal of the Goods Shed and Red Shed, which is shown in red in that image, just to give it a bit of context around the spaces we're looking at.

The other one the chair mentioned is the first of the site preparatory works and that is the construction of a roof test rig. This is a mock-up of what's currently being constructed. Construction started this week. It is a rectangle, not quite a square, 20 metres long, 15 metres wide and five metres high, as shown in that image. It has three sections of ETFE pillows. It has the same dimensions as we will have in the Stadium design of five metres by 20 metres.

This is being constructed so we can create a test environment, make sure that the shadows behave the way we expect them to. I do have a sample of ETFE, Chair.

CHAIR - A what, sorry?

Ms BEACH - A sample of ETFE.

CHAIR - A sample, yes.

Ms BEACH - We talk a lot about ETFE, but it's essentially a thick plastic and this - if it's of interest to the Committee, this is the pillow arrangement. The layer on top is fully transparent and then the specification we're testing is the bottom layer is a matte finish, so that's where we get the shadow diffusion, if that's just useful for the Committee to have a look at.

Mr JAENSCH - I always pictured it as rigid?

Ms BEACH - No, it's quite flexible and it's inflated, so it creates a pillow structure having a pumped inflation in that pillow.

Mr EDMUNDS - The test rig - that's on site, is it? Or where's that set up?

Ms BEACH - The picture on the left, it's a little - it's just a snippet. Sorry, it's a bit hard to follow without context, but this is the south-east corner of our site. To the right of that is the port, to the south we've got Hunter Street and MACq 01 down this end. That's the end of Evans Street, so this is the corner.

It looks a little bit odd - how it's not quite straight, and that's on purpose because we're replicating the position and angle of the pitch as it will be in the Stadium. We're doing it onsite and as close as we can replicate those test environments. If anything, it's actually harsher because this is only five metres off the ground. In the Stadium, the clearance will be 49 metres. Any shadow would be even more dispersed.

We need to work through and see how that works. What we're trying to manage is - there are two parts to show. We have a lighting specialist who's been assisting us and we need to manage the umbra and the penumbra. That is the solid part and then the sort of softer shadow you get around them. We're expecting to be able to remove those, but we need to test it and show that it's possible.

Mr JAENSCH - I was going to ask about the five metres off the ground. Has someone modelled that so that you're going to be able to extrapolate that to what it will effectively be like on the playing surface?

Ms BEACH - Yes.

Mr JAENSCH - Because visually it won't be representative, will it?

Ms BEACH - That's right.

Mr JAENSCH - Technically, it may be if you can measure it, and then -

Ms BEACH - So there are two parts to the testing. One is a simulated model that's designed based on the actual design of the Stadium, and then we've also simulated this environment. Using the matte ETFE to diffuse the light, we're hoping to achieve no shadow. If we can achieve it at this height, we have certainty that at that higher light there won't be shadow affecting the pitch.

Mr EDMUNDS - What's involved with the testing? Is it all measurement or are you going to have someone - is that a cricket pitch underneath that? Are you actually going to have someone bowl at someone?

Ms BEACH - It is. It's astroturf and it will have an astroturf pitch. The location of the pitch and the wicket base there under the test is also to maximise any risk of shadow exposure from under the structure. This is north and south, so we need it to project slightly to the top end of that. Working with cricket, the testing program is we will have players and officials come and see it -

Mr EVANS - That's Cricket Tasmanian and Cricket Australia.

Ms BEACH - Yes. There's a wicket there for a reason, so that they can be played under. After that, our intent is to then open it so the public can come and see it too and get a feel for

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the environment that we're looking at. The construction is this month. We're hoping to do testing in March [2026].

Mr JAENSCH - Make a beaut pergola afterwards for someone.

Ms BEACH - It would and it wouldn't. Because we've selected ETFE, we're purposely maximising UV transmission -

Mr JAENSCH - Okay. No, probably not so good.

Ms BEACH - So it's not great for the Tasmanian sun.

That was just a bit of a quick update on where we're up to.

Just moving into some of the areas that have been referred to the Committee, a key one is governance and oversight. There's a lot going on in this table, so I just might quickly work through it.

The blue on the left is the governance around the actual project within the Corporation, and then green is the oversight and various elements. Within the project governance, we have a number of regular meetings and forums, and that includes with Stadium users throughout the design process.

As we go into the delivery stage, we're looking more at additional working groups we will put in place. For example, working closely with sporting codes and emergency services has been really important in the fundamental design. As we move into delivery, we're commencing regular meetings with the Hobart City Council as an infrastructure owner about how some of those interactions work. We have both of those.

We have a weekly meeting with Stadiums Tasmania, and we have throughout the design process. It's really important as the future owner and operator that they're able to feed in and see things live and we work through the management of the project. There are also various meetings within the project management team. For example, the regular risk reviews, we have weekly design reviews through the various streams. In addition to our team and consultant team that form part of that, we also have a series of expert consultants who provide advice and a series of advisers. They're on Stadium infrastructure, financial, legal probity, all sorts. The other important thing around governance is we have a project control system in place to track and manage any change requests, any impacts on work program and cost, as a few examples.

Then in the next column, we've got some of the project assurance processes that we have in place. We have a probity adviser. That is for our procurement, which is separate to the probity adviser that's been put in place for the order implementation. This is particularly for the procurement process, so they're our probity adviser. We have -

CHAIR - So the appointment by the Government yesterday was not yours - that was theirs?

Ms BEACH - That's right, yes. They're different. For example, I tested with the probity adviser the appropriateness of tabling the document I just did. When I speak with the

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Tasmania First Taskforce, we make sure the probity adviser is there. It's particularly focused on the probity for the procurement process and the appropriateness of that process.

At each of the key design phases, we've had third-party reviews, so we bring in separate engineers and architects who aren't part of the contracted design team to review those.

Value management, as with any large project, is an ongoing process. We're always looking for opportunities for efficiencies. We have also been using the Infrastructure Tasmania Project Assurance Framework and we've just had the Gate 3 health check before going to market, which is readiness to go to market.

We also had third-party reviews of some of our key documentation, like our risk-management framework and principal project requirements (PPR), which is how we document what we require the contractor to deliver.

As a statutory corporation, we, of course, have a board that meets monthly. We also have an order and risk committee that meets quarterly. That met yesterday. We have a board development working group, which is a subset of the board and is meeting weekly. Given the importance of both the precinct delivery and the Stadium, that has been a regular forum. The expertise we have in our board has made that really important from a management perspective as a sounding board and to seek input and guidance.

We obviously also have financial controls and delegations that help work through where that line is to board. For example, I have a \$5 million financial delegation. Anything above that is ... for the chair to sign.

In terms of oversight, in addition to and beyond within the Corporation, there's a project steering committee which includes funding partners. That's the Commonwealth and the AFL. There's the oversight committee, which the head of the State Service is the chair, the Secretary of Treasury, Secretary of State Growth are members, and the Crown Solicitor is an adviser. There are officer meetings that support that as well. There's a Committee of Cabinet that meets after that sequence of meetings and, as you're aware, there's a dedicated ministerial portfolio for this project.

In addition to that, the order set out a few particular requirements and these are oversight, not resources managed by us. There's the probity adviser we were just discussing before, that's around the implementation of the requirements of the order. They were appointed by State Growth, and there's the design quality integrity review panel, which is an important part of closing out the design documentation. We will present to them. We don't manage that forum.

Of course, there's this Committee and anything that comes through the Parliament. I've just added a list there. There is a number of regulators who are involved in the implementation of the order.

As you're aware, the project budget is \$1.13 billion. It includes the full cost related to the Stadium. It isn't just the construction. It is the design, the commissioning, the resourcing of my team, the work that's been done to date. It also includes escalation and contingencies.

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On that, given cost is an area for the Committee, the current latest spend we've worked through is for the end of December [2025], where we've spent \$40.84 million, and just to break that up a little bit, there's a summary -

CHAIR - Can I just clarify from what start date was this?

Ms BEACH - Since we've been responsible for the project, so that was around end of 2023.

CHAIR - Thanks.

Mr WINTER - And that's including the \$1.13 billion?

Ms BEACH - Yes. This is how we're tracking against that budget.

To give that a bit of context, the bulk of that, \$36.35 million, is the design process essentially, so \$19.64 million - and I will give you a copy of this - is for the design contract spend to date - \$0.76 million is for construction and building. That is where we've sought throughout the process - we've had construction advisers and we have a building surveyor appointed and advice they've provided. We've got \$0.42 million for the functional brief and related advice. The functional brief and the principal's project requirements are how we document what is required and what we will hold the contractor responsible for.

Legal and probity: \$3.75 million - a large part of that is legal, so around \$3.3 million of that is legal; \$2.86 million for planning and environmental studies that includes things like heritage, geotech, environmental audits; \$5.69 million for project management - we have a contracted specialist project management team that's been running for this project throughout; \$1.86 million for quantity surveying, so the costing process, and then there's just over \$1 million for other smaller consultancies and disbursements, which are things like accommodation and flight charges.

Then the remaining just under \$4.5 million is outside of that - in addition to that design process. Just under \$2 million is for internal capitalisation of resourcing costs. We are working through the Green Building Council of Australia's Green Star accreditation process for the whole of precinct and then particularly for the Stadium site works - relate to things like testing in situ and authority fees. They're largely related to the cost of the TPC direct costs.

Ms THOMAS - Does the project management include MPDC staffing costs?

Ms BEACH - No, the \$5.69 million project management are consultant costs, so the project management team we've contracted in, and then the corporation staffing cost is this one, the \$1.99 million, just under 2 million. That's the capitalisation.

Ms THOMAS - Okay, thank you.

Ms BEACH - I have a snapshot here on the risk-management framework. We've implemented the framework across the Corporation. We have project-specific elements. This has been a key focus given the substantial nature of this construction. The framework sets out how we do identification and risk assessment and those types of things. We have specific

documents for this project - the governance process and the risk action management action plan.

The general management - there's a note there in the bottom noting that as part of the project there are monthly risk meetings - looking at those risks, checking the ratings, checking our treatments and that they make sense, quarterly reviews, we also do things like quantitative risk assessments on things like the project budget - went through a quantitative risk assessment and also estimations around scheduling. They are a key part of it.

The risk action plan picks up one-off things, rather than ongoing tasks. They're things like during the preparation for the tender process, we have a requirement to do a risk-allocation matrix, what we're responsible for, what the contractor is responsible for, to make sure we're really clear about that, and that the costings that come back reflect that risk allocation.

I have a couple of things to table with the Committee: a copy of this presentation, which I can provide you with, and I am happy to do it electronically as well, if that's useful. This snapshot was -

CHAIR - Yes, both would be good.

Ms BEACH - I am keen for feedback on this, knowing that we will be coming back at least quarterly.

This is a snapshot of the activity from approval up to the end of January [2026]. There's the procurement activity in the top left that we've already discussed and the note on the top right is setting out the key things that have been taking a bit of our time that are important to work through: the drafting of the staging plan, as I mentioned, and preparing for the preparatory works.

Before we could start those works, there were a number of things we needed to do including - we did brief the EPA and provided a copy of our current site environmental management plan. That needed to be accepted before we could start work. They've been some important things that we've been doing.

I've also just tracked in the governance where we've had meetings, just for context, and where they were. Down the bottom left is the budget, it's unchanged, but that will be something we will continue to report on and the spend as at the end of December [2025], then a bit of a snapshot on some of the key things that will happen between now and when we're likely to next meet. We're doing the construction of the test rig, as I mentioned.

We are looking to do a briefing with the construction industry. It's a day for people to come to at the end of the month. That's really to help provide context to the local market on the packages of works, the volumes of material when it's likely to be required, so they can do that in their business planning.

The bulk excavation and the Goods Shed tenders are in the process of closing. We will be assessing those over February and March [2026]. We start the assessment of the main designer contract process after 11 February [2026]. That will be a key piece of work for us to then release the RFT to the selected parties at the start of April [2026].

I might have one more slide. I think it's already been provided to the Committee directly from the Secretary of State Growth. I did mention we have done a Gate 3 - a readiness-of-market health check through the Infrastructure Tasmania process. There's some information about that being a standard process and best practice. I have a copy of the recommendations for that report to table in confidence if it's useful for the Committee to do that all together.

CHAIR - Thanks. We will receive that in confidence, I assure you of that. That's the end of your presentation?

Ms BEACH - That's it, yes. Thank you.

Mr WINTER - I will go to finance first. The \$1.13 billion number I think emanates from around September [2025] last year; are you able to itemise out of that \$1.3 billion at all in terms of the components of that \$1.13 billion?

Ms BEACH - Yes, I note that escalations and contingency are a point in time. As we tick through, we haven't allocated any of the contingency yet. That hasn't changed, but escalation is on a day-by-day. The summary I have is the same, at this stage, as the one that was included in the government response. I'm happy to just run through that:

- the construction cost is \$640.5 million;
- the development cost, which includes contingencies and consultants' fees, is \$302.69 million;
- headworks and authority fees are \$5.6 million;
- project resourcing is \$17.9 million;
- escalation is \$147.6 million; and
- day-one operational costs are at \$18.5 million.

Just to clarify: day-one operational costs are things like fit-out, so you can use tables and chairs and so that you can use the function rooms. It's not fit-out to populate merchandising stands and those types of things. It's just so you can open the door in good faith.

Mr WINTER - Does this include, for example, the northern access road?

Ms BEACH - No, it doesn't. It's a separate project and that's funded separately. It's being delivered by the Department of State Growth. We do have an access and coordination working group that is State Growth, us, TasNetworks, TasWater, TasPorts, because there is a lot of activity happening in that area of town to make sure we're coordinating all those different developments.

Mr WINTER - That's an example of one component of the project that's not - of the broader Macquarie Point Precinct project that's not included in those costs; are there any other costs like that that haven't been included in that \$1.13 billion figure?

Ms BEACH - There are, and it depends on how wide you cast that net. The northern access road is servicing the port, but it does also service our site; there's the redevelopment of the port; so in terms of a precinct, they're a critical part of that and how we do our planning. There will need to be - we need to invest in some infrastructure upgrades. For example, the

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water main that runs down Evans Street and Brooker Avenue. We will shortly be doing those works to increase that supply. That's required for a precinct outcome. There will be things like to collect from the main to the individual development parcels to activate the rest of the precinct. They are separate to the Stadium.

Mr WINTER - What about things like the buses that will be required to operate the Stadium? How is that being paid for or included in the costing?

Ms BEACH - For those kinds of service-delivery elements, I understand that State Growth is looking at the full spectrum of the bus fleet that's available and particularly looking at the school fleet and the capacity to activate those. Some of those do require, over time, to be lifted up to be Disability Discrimination Act (DDA) compliant. So, there is a cost there, but that would be required - it's best practice anyway. That's not included in this. It's an operational cost.

Mr WINTER - What about things like ferry terminal and bus infrastructure itself?

Ms BEACH - We don't require a new or any changes to any ferry terminals. The transport planning includes looking at existing park-and-ride facilities and ones that were planned. If they don't end up proceeding, there are nearby parking facilities that could potentially be used.

Mr WINTER - Is there any component of the \$1.13 billion for public transport?

Ms BEACH - No, it's for construction and delivery of the Stadium.

Mr WINTER - Right, but not associated like that.

In terms our costing, we've started this project at \$715 million. We're now at \$1.13 billion. The total amount for the State has gone from \$460 million to \$875 million, which is a 90 per cent increase.

You've said in your presentation that the latest cost is \$1.13 billion. What are the next milestones for you where you will be able to get a more accurate assessment of what this is going to cost? Is that through stage one of the tender process or is that later on through the project?

Ms BEACH - The evolution of the project budget reflects the scope of those different stages. The \$1.3 billion reflects the scope as we're taking to market. There are a number of things we need to look at around time and cost and the specific scope. That's what we're working to deliver. If there was any impact on those, we'd be able to clearly articulate that after the request-for-tender process. We'd have a relatively informed view after the first stage, but we'd have clarity at the end of the second stage.

Mr WINTER - You mentioned in your presentation that you'd be continuing to report on costs. How will you report on the cost? Is that directly to the Government or publicly or through the Public Accounts Committee?

Ms BEACH - All of those things.

Mr EVANS - All of the above.

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Ms BEACH - We actively monitor cost all the time. We have a cost coding and control process that's dedicated just to this project. It is part of our monthly monitoring and reporting, so through the board, through the oversight Committee and I will continue to bring cost updates to this Committee as well.

Mr WINTER - As part of that process to get the order through the Parliament, a number of Legislative Councillors were able to extract commitments from the Government that there would be a cost cap at \$875 million. Did MPDC provide any advice to Government about the ability to stay within that cap?

Ms BEACH - In addition to the third-party contributions, that's how we get to the \$1.13 billion. That was a Government decision. We'd already provided advice on the cost of the project.

Mr WINTER - And that cost of the project is \$1.13 billion?

Ms BEACH - Yes.

Mr WINTER - So Government didn't come to you to seek advice on whether it would be able to keep that \$875 million State Government cap?

Ms BEACH - We've included in the project budget escalation and contingencies. If we were at a point where we felt we were unable to deliver, we would go back to the Government and say we have concerns about delivering in these parameters.

Mr WINTER - Have you raised any concerns with the State Government about the viability of that commitment with the State Government following that announcement?

Ms BEACH - To maintain the budget?

Mr WINTER - Yes.

Ms BEACH - There is always a risk with large projects around managing budget but, as I said, we've included contingencies and escalations. When we were providing estimates and updates on the project and the scope, the cost to meet the scope as it was updated, they were the estimates that we provided.

CHAIR - Have you had any independent cost verification then? Obviously there are still several processes to go, but it gets out of control pretty quickly. Just ask people in another GBE.¹

Ms BEACH - There are two elements to the cost estimate. One is a cost plan. That's done by our quantity surveyors. They do a line-by-line review of the actual drawings and the volumes and materials of individual items. They estimate it that way. Then they add on top things like market-loading, contingencies, so client construction and design contingencies. Also included are consultancy costs and our resourcing costs. It's done on line by line.

¹ Governmnet Business Enterprises

Then we've also done a qualitative risk assessment where we've gone through and looked at what risks could occur and what will be the cost of those. That's how we got to a P90, which is the \$1.13 billion, so there's been two elements to that -

Mr EVANS - They're included in the \$1.13 billion.

CHAIR - You say 'we'. Are you saying you've had independent reviews as 'we'? If it's going to be a fully independent review, or a cost verification process, surely that should be done by someone external to you. I'm trying to understand who's been doing the work.

Ms THOMAS - Is the quantity surveyor external and independent?

Ms BEACH - They're contracted by us, but they're not contracted to the design team. There's the bundle of the design team and then we separately contract experts to advise us, not the design team. They will give us an estimate and then we have our own process to make sure we can verify that and have comfort. We do the same thing with the engineering and the architecture. We have separate advisers in addition to that design team who put together that package.

Mr JAENSCH - Does the Infrastructure Tasmania process include some sort of crosschecking and benchmarking of your cost estimates?

Ms BEACH - It does to a point. The project assurance framework process looks at the identification of key documents for the relevant stage and then a number of parties are interviewed to get feedback on how that's going. Through that process, those experts are an independent panel. We provide them with a copy of the cost plan and access to our quantity surveyors, and they look at that process to see if it's reasonable, but they're not quantity surveyor experts, just to clarify.

Mr JAENSCH - Does the panel of third-party reviewers stay for the life of the project?

Ms BEACH - No, it's for each gate. We reach out to Infrastructure Tasmania, identify that we're approaching a gate and we're ready for a review. They will identify suitable independent people to undertake that process.

Mr JAENSCH - Is that process outlined in the document that you've offered to provide us with here or just the outputs of that?

Ms BEACH - They're the recommendations for the readiness for market from their review. In the PowerPoint presentation, I've just put a link electronically to the Infrastructure Tasmania framework, the project assurance framework, that provides some context on the different gates and how that process works.²

Mr JAENSCH - Thanks. Chair, I think that's an important piece for us to make sure that we flag as a document in this inquiry because it does outline another sort of arm's-length or critical review mechanism outside of the project management directly.

² See Infrastructure Tasmania 'Project Assurance', https://www.infrastructure.tas.gov.au/policy_and_advice/project_assurance_framework [Accessed 10 February 2026]

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Mr WINTER - We ran through some of the other items to the Stadium component. You talked about the northern access road, port. It's partly the development of the site. Do you have a total cost for the development of all of those components?

Ms BEACH - No, they're not owned by us and they're not our processes, so I don't have direct access to that.

Mr JAENSCH - Would it be fair to say that things like access, the port development and the water supply to the precinct would come with any activation of the Macquarie Point site, be it for a Stadium or for a hospital or a truth and reconciliation park?

Mr EVANS - I think that's a fair point because as you all know, Mr Winter and Ms Thomas, the costs associated with the northern access road and the need for the northern access road were pre-committed prior to the Stadium even being contemplated, arising out of the Hobart City Deal and other discussions about the Antarctic and science precinct.

Mr WINTER - I wasn't aware of that, but I will take your word for it.

In terms of the way that we're structuring this, one of the questions I have is around - and we've asked this through various other components of this Committee and other Committees - structuring the debt as part of this.

As I understand, Macquarie Point Development Corporation doesn't have the ability to generate a lot of revenue, which is going to make it difficult to take on debt.

Are you looking at an equity transfer coming from the State Government into the Macquarie Point Development Corporation, or can you go through how you're going to structure the finances of this?

Mr EVANS - It's fair to say that's work in progress at the moment. We're in active conversations with Treasury, with the Tasmanian Public Finance Corporation (TASCORP) and others, so we're working. We can't answer that question today, but progressively over the next couple of months we're going to need to firm up those answers with the government.

Mr WINTER - What are the options for Macquarie Point Development Corporation in terms of how it structures its finances?

Ms BEACH - We have a number of funding streams. There's an operational grant that is set out in the budget for us to fund our general expenses. As you will be aware, we get an equity contribution for capital investment and then the commitment was around undertaking borrowing for the gap of this project.

There is a number of different ways we can look at that. We do have options within our Act and we're working with Treasury on how we do that. The main area of that we've commenced is working through the process to work with TASCORP to explore that option.

Mr WINTER - In terms of that financing, if the concessions that were extracted in the Legislative Council on that \$875 million cap - it works if you assume that the entire \$240 million from the Federal Government goes into the Stadium project, which you've said is quite distinct from those other components, which I assume includes housing. How are you

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satisfying the arrangements with the Australian Government, given that the Government's made a commitment the entire \$240 million will go into the Stadium project.

Ms BEACH -Because that's consistent with the Federal funding agreement. There's a number of milestones set out in that and we've just completed the last of those. Well, pending completions - confirming acceptance from the Australian Government. The last two of those are delivery of the master plan and delivery of a housing plan, which is a supporting document to that. A master plan is a statutory document, the housing plan is a bit more of a deeper dive into how the housing development would work. They've been issued to the Australian Government and the remaining milestone is one on sequencing of funding payments. There's been correspondence seeking to move on that.

Mr WINTER - To confirm, all the funding will actually go into the Stadium project.

Ms BEACH -Yes.

Mr WINTER - How much will the State or the Macquarie Point Development Corporation be putting into the housing component of the site?

Ms BEACH -We will be taking that to market and we will be looking to activate that, informed by the northern access road. Finalisation of that alignment and the positioning of that will be important for us to be able to take that parcel to market.

Mr WINTER - Do you have an estimated cost on that though?

Ms BEACH - I don't have one with me. It isn't intended to be a corporation-led development: it is to take to market. We've done market testing and that includes the inclusion of affordable housing for key health workers in there. We did get good feedback from market around that as it is effectively when they're financing their project, it becomes almost a government guarantee having that affordable housing. That was seen as a benefit rather than any concern. We would be seeing that as a delivery led by the private sector.

Mr WINTER - In terms of affordable housing anywhere, I can't think of an example where it hasn't required some public support to make it affordable. You're saying there's no cost estimate anywhere on how much it will cost to develop the homes. How many homes do you think you're looking to actually produce out of this project? I will hand over after this, chair.

Ms BEACH - It's an apartment style development and looking at around 100, with 15 of those to be allocated for key health worker affordable options. That reflects the demand from the feedback we've had from the Department of Health to help them have that accessibility to provide services at the hospital.

Mr WINTER - There's no estimated costs on this component at all?

CHAIR - Delivery of the housing?

Mr WINTER - Yes.

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Ms BEACH - We've done some early work and put together a reference design, but the cost will depend on a number of factors we're still working through.

CHAIR - Can I clarify: the \$1.13 billion includes the cost of developing the plan? That's it?

Ms BEACH - The master plan?

CHAIR - Well the master plan and the housing plan that's required under the Federal government agreement.

Ms BEACH - No, we've funded that separately.

CHAIR - How's that funded?

Ms BEACH - It's outside of the Stadium, from our existing cash at bank.

CHAIR - It's already done, or you're in the process of doing?

Ms BEACH - We've delivered a master plan -

CHAIR - The master plan - I am talking about the housing plan.

Ms BEACH - Yes, we've delivered that also to the Commonwealth.

Ms THOMAS - Yes, that was my question on the housing. Can I follow up on that?

CHAIR - Yes, you can follow up on that and I will come to you.

Ms THOMAS - Thank you. During Legislative Council Estimates, Committee A hearings on 17 November [2025], you mentioned that you're still waiting for the final design of the northern access road before taking the land to market for housing. You mentioned that the housing plan also needed approval by the Commonwealth. When do you expect that Commonwealth approval to be forthcoming, given it seems it's been with them for a little while now? Have you had any insight as to when that will be?

Ms BEACH - It's only just been issued to them. We issued it to the Minister and he has a statutory role in the master plan and needed to take some time reviewing that.

CHAIR - The State Minister?

Ms BEACH - Yes, sorry. He has since issued it to the Commonwealth. The requirement in the milestone is acceptance. We have worked closely with the Australian Government. We had precinct project steering committees. We took on board their feedback. There was around six months of where we issued the draft at officer level to make sure we were working through that and there was engagement across multiple agencies in the Commonwealth.

They were really comfortable with our feedback at our closeout meeting at the end of the year. There was no additional feedback and they were all comfortable. It is a process of the

Australian Minister, Ms King, having an opportunity to review that and either accept it or seek out any further information.

Ms THOMAS - Okay, so you don't have -

Mr EVANS - It is fair to say that the Commonwealth at officer level provided quite a bit of feedback and we've accommodated their feedback in the final plan that's going forward to the minister.

Ms THOMAS - Okay, but there's no expectation in terms of timelines or no indication of timelines as to when you can expect that Commonwealth acceptance or not?

Ms BEACH - There was a commitment to publish the housing plan once that is accepted. It could be one to two months. It depends on their processes and what else the Minister's doing.

Ms THOMAS - Okay, but it will be publicly available once it's accepted, assuming it is accepted by the Commonwealth.

Mr EVANS - Once it's approved by - accepted by the Commonwealth.

Ms THOMAS - Okay. The northern access road design was also mentioned during Estimates hearings - that the completion of that design is required before further steps are taken once that housing plan is accepted. How is that looking? I know the northern access road design was released yesterday with a very short consultation period. Obviously, I would expect the MPDC has been providing input into that design. How will that play into the housing plan?

Ms BEACH - Yes, at officer level. There are many things that road needs to do. One is to provide safe access to Regatta Point for small water vessels as well as car access. That is still at a concept design level. We will keep liaising with them. There are a couple of other things that need to happen, but importantly the master plan needs to be implemented into the planning scheme so we can then take that - it will enable us, when we take it to market, for a development to occur. However, to finalise and do any further market engagement, we need to have a good understanding of how the northern access road works so that developers can look at the area and how that interacts with the space around it and design accordingly.

Ms THOMAS - Now you're mentioning the master plan. That needs to be accepted still by the Commonwealth and then it'll need to be factored into the - what did you say the area plan?

Ms BEACH - Yes. Through the POSS process the Stadium element of the site effectively is added to the planning scheme. But the rest of the site, the master plan actually needs to go through a process to update that in the planning scheme itself. We could take the development to market without doing that, but it doesn't provide any certainty for market. Our view is that we implement - seek an update to the planning scheme to make sure the full site makes sense, as a coordinator. Then we take it to market so there's certainty for developers which will impact on price and speed in their development.

Ms THOMAS - Do you have any expectation of timelines once that master plan, the broader precinct master plan, is accepted by the Commonwealth? It will be submitted to the

Tasmanian Planning Commission then. Is that right? How long is that process expected to take before it is incorporated into the planning scheme?

Ms BEACH - The planning scheme process is set out in LUPAA.³ Depending on how that consultation goes and any requests for further information, that could take around 12 months. There are other options we could look at, but that is the primary way to do it.

Ms THOMAS - Enabling legislation. God forbid.

Mr EDMUNDS - On your breakdown you talked about the allocation for escalations of 1.476. How will oversight bodies such as ourselves and others understand how that's being potentially used or not used throughout the journey of the project? What's your expectation? Are you expecting it to be like a percentage bar throughout the whole process, or are there clearly junctures in the process where you expect that money to be potentially eaten into?

Ms BEACH - The escalation is set out on an estimating escalation or year-by-year basis, both from when the work starts and then the period of time it takes to actually do the delivery, because prices change. Exactly that, it will effectively get eaten away and so the trade cost will increase and the escalation will go down because it will be allocated to the cost of materials. That will be a gradual process. I will seek some advice on whether we'd need to provide that in confidence or can provide it otherwise, but it's something we can report on to the Committee if that's an area of interest.

CHAIR - Before I come to you, Roger, I wanted to ask about what sort of contract arrangements you're proposing to try to maintain cost controls.

Ms BEACH - Yes. We have an existing cost control process where it comes in and is received. It is reviewed by our cost team and by our project management team and a recommendation made for our consideration and then it needs to be approved before it's paid. That would be the same process that will be in place as there will be an established program through the contract around delivery. They will need to charge against that.

CHAIR - What I'm referring to more is the contractual arrangements for the construction: are you looking at a fixed-price contract?

Ms BEACH - Sorry?

CHAIR - What sort of contract are you talking about?

Ms BEACH - At the conclusion of the procurement process there will be a fixed price.

CHAIR - Right.

Mr EVANS - That's the intent.

CHAIR - Sorry? That's the intent?

³ Land Use Planning and Approvals Act 1993 (Tas)

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Mr EVANS - That's the intent.

CHAIR - Yes. Just before I go on to - the industry information day, whatever it was called, I assume that will be a national put out there to see - or are you just talking about local interest, engaging with the head contractor? I'm trying to understand what that process looks like.

Ms BEACH - We're particularly targeting the local market, provide a bit more information on the packages and the volumes, so that they can consider in terms of their supply. It will help inform them and to have context and to help with that engagement with the main contractor that will be coming to have the conversations.

CHAIR - What I hear, and I may be wrong on this, is that there is no tier one contractor in the State that could deliver this: you're not seeking to engage with tier one contractors. I'm trying to be clear about what that process involves.

Ms BEACH - Our market-engagement process for the procurement, we were focusing on tier ones and local tier twos. The industry briefing day is really looking at that subcontractor market so that they can understand what the Stadium delivery looks like, and the different timing and packages of work. It isn't focusing on the main contractor: it's looking at the subcontractors that will be critical for the build and supply of the Stadium.

CHAIR - Yes. The fact that you haven't gone to the market for the head contractor yet -

Ms BEACH - We're in market.

Mr EVANS - We've commenced that. We started that.

CHAIR - For the construction contract?

Ms BEACH - Yes, that's the expression-of-interest process.

Mr EVANS - That's the beginning of the process with the expression of interest.

CHAIR - Right. Okay.

Mr JAENSCH - Then it follows.

CHAIR - So you're still a way off from any definitive decision. That's going to take a while, remembering back to your slide. Yes.

Ms BEACH - We will be selecting down to two, though, and they will be the parties that are engaging with local subcontractors around ability to supply.

CHAIR - So one presumes then that there will be ongoing consultation with local industry during that process?

Ms BEACH - Yes. This is to give some context about the project and unpack it. People will have seen some general information and images and some of the high-level designs, but

for industry they really need specifics around glazing, concrete volumes, and when they would be required so they can do business planning to be part of that.

CHAIR - In terms of the ESB,⁴ your economic social benefits statement, I've seen one of these for another major project, and it's honoured in the breach far more often than in the adherence. How are you going to monitor, once you get an ESB statement from your head contractor - how are you going to manage it and oversee it and report against that, to be sure that they are meeting the requirements that are set out in that statement?

Ms BEACH - The attachment that I tabled is just for the expression-of-interest process. It's quite high level and looking at how they intend to approach. We get a feel for the approach. In the next stage of the RFT⁵ there is a follow-on assessment and there will be the same assessment, so there will be 30 per cent again, but we will ask other questions, and that will inform the population of the contract and the negotiations, so that we will then have the contract to require reporting and implementation of those.

CHAIR - Reporting is one thing. You can report many things. I mean they could - the head contractor could actually hollow out a whole heap of Tasmanian industries to meet their Tasmanian component: this is how it has worked in some situations, so I'm just really interested in how you're going to monitor that. You can get commitments from them, but how do we ensure that Tasmanian companies aren't negatively impacted by the actions of a head contractor that's quite likely to be from outside the State?

Ms BEACH - Yes, the head contractor. We will require local subcontractors to deliver the Stadium. It just won't work without it in the works that are required, their capability, the access to materials and people and skills. It will require local participation. What we're assessing them around is how are they going to do that; how are they going to onboard people; how will they be looking to provide opportunities for training and development. They will have to set those out and they will become contract requirements. If they breach the contract, then we go through a contract breach process.

CHAIR - I suppose that's part of the deal, isn't it? Okay, Roger.

Mr JAENSCH - I'm interested in a couple of questions in that same general area. Picking up the point we're just on then, if we have Tasmanian firms and Tasmanian content as a requirement, and we have a sort of a principal contractor or a national or international-scale JV⁶ partner, it's a bit of a David and Goliath with the local firms nested in underneath them. For the project and the contract as a whole to meet its time and cost milestones, I think what the Chair is referring to is that there is capacity for the smaller Tasmanian firms to disproportionately bear the pressures of a project of this scale.

Is there any way that, in our procurement process, we can assess the nature of the proposed agreements between head contractors and subcontractors so we can satisfy ourselves that the interests of Tasmanian firms will be protected reasonably within those contracts?

Ms BEACH - It is a challenge and it's the nature of the beast in those contracts that there is risk passed on to subcontractors. What we have got in the initial checklist for the

⁴ Economic and Social Benefits [Statement]

⁵ Request for Tender

⁶ Joint Venture

expression-of-interest process for that 30 per cent assessment includes what the opportunities for small and medium enterprises will be.

In speaking to the Tasmania First Taskforce, we talked about putting together an industry capability sort of map. So, to look for the various industries - this is what's available, in addition to the industry-capability network, which is essentially a register we will put together to help with that awareness, but it is going to be important because of the nature of the Tasmanian industry. There are a larger number of those smaller entities.

We, at this stage, are assessing how they're going to maximise opportunities. In the next stage in the RFT assessment it's something we can explore further around how they will manage impact and risk management to the smaller part of town.

Mr JAENSCH - I think it's important. If you don't have a mechanism like that, I don't know if there is any sort of standard or benchmarking of contracting and subcontracting terms that might ensure that, within an unevenly weighted joint venture, that the smaller party doesn't get disproportionately impacted by adverse events in the process. I'm not predicting any, but I'm just saying that there is a vulnerability there, particularly when we are going to have a high requirement for Tasmanian content that we - potentially there could be a loading of Tasmanian content, but a number of Tasmanian firms who could then not have as many lawyers or not have as much momentum or resources of their own to deal with disputes or to deal with the costs of failure or risk of meeting milestones.

Ms BEACH - It is a contract risk and we do that risk allocation, that the risks borne by the contractor to deliver - that they will look to pass some of that on. It is a difficult thing to manage but, as I said, it's something that we can have as part of our considerations around how will small-medium enterprises' opportunities be maximised as part of the process.

Mr JAENSCH - Will Tasmanian firms have the opportunity to raise questions or issues like this through your consultation with them, with the business roundtables that you're having?

Ms BEACH - Through the business industry briefing they can: also through the Tasmania First Taskforce. That represents the construction peaks. Some of their members attend those meetings. At the last meeting there was some feedback about the lived experience of some other large-scale projects across a few different sectors. That was a really helpful discussion.

Mr EVANS - There are a number of ways you can approach this: obviously through the procurement itself, but in parallel with that, things like industry briefing days, so that the local industry gets to understand what's coming into market and the packages that they might potentially be able to engage with a head contractor for. The taskforce itself is going to be a very important and valuable part of this.

CHAIR - Who sits on the taskforce?

Mr EVANS - Sorry?

CHAIR - Who sits on that taskforce?

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Ms BEACH - It's chaired by the Master Builders, and it includes a whole spectrum. There is the National Electrical Contractors Association (NECA) and the CCA, the Cement and Concrete Association of Australia -

Mr JAENSCH - Can't forget aggregate.

Ms BEACH - And aggregate. Sorry, that's what I was missing, not association. There is the CCF, the Civil Construction Federation; we have the plumbing representative group on there. It is quite a large group that they've formed themselves in industry. I think they've had three meetings. I've attended two of those. They have had members who actively join into those conversations, too. It's a really useful forum.

Mr JAENSCH - Chair, I have related on the same matter.

CHAIR - Luke's got one and then I will come back.

Mr EDMUNDS - It's all right.

Mr JAENSCH - You took us through the ESB statement, which is good. Where does that sit in relation to other considerations like value for money and time - meeting project timeframes? How are those things weighted relative to each other because we do value the social, cultural and other benefits to spin off from an investment of this magnitude, but we also need it done by a time and on budget. How do they relate to each other?

Ms BEACH - It's one of the assessment criteria. There are also conditions of participation. To reach the first pass to be assessed for a compliant bid, the respondents through the EOI⁷ need to be accredited under the federal workplace health and safety accreditation scheme as a fundamental. There's also a financial capacity threshold test that includes a current ratio of equal to or greater than one, so that - which means they can service their bills from a current asset compared to liabilities comparison, and also a maximum financial capacity greater than or equal to \$500 million and net tangible assets of equal to or greater than 5 per cent of the last three years' average revenue. We're looking at - do you have the financial capacity to progress into the next stage and workplace health and safety?

To your question around the criteria - there are five in total. As we said, the economic and social benefits is 30 and that's a Government policy requirement. The remaining 70 per cent at this EOI stage is the capacity and the experience of the respondent, so the firm. That's 30 per cent that demonstrate capacity of the actual team proposed, so the people that would be doing the work is 20 per cent, and the capacity to manage the financial and contractual risk is 20 per cent. In the next stage in the request for tender we will be assessing price, but not in the EOI.

Mr JAENSCH - So price isn't a factor in the EOI?

Ms BEACH - No, financial capacity is, but at this stage they're not actually putting forward a price. That happens in the request-for-tender process. At that stage, they will be putting - developing a program and costing the delivery.

⁷ Expression of Interest

Mr JAENSCH - So at that point, when they have been selected down to being a tenderer, we can assume all those other ESB criteria are met, and you move to a different set of criteria regarding acceptance of their tender.

Ms BEACH - No. Sorry, the economic and social benefit assessment will remain 30 per cent of the assessment at every stage.

Mr JAENSCH - At every stage.

Mr EDMUNDS - Just to talk about the taskforces, et cetera and the other people feeding information in, I'm interested in the role of workforce in that. We had a strong voice from particularly CPSU⁸ and CFMEU⁹ during the discussions in the Legislative Council. Where do they fit in as we go forward in terms of providing feedback and advice? As far as I understand it, they're just as interested in this being successful as anyone else.

Ms BEACH - I have met with representatives from both of those organisations. They have an interest as they presented to the Committee in that briefing session around looking at a project agreement. That is how workers are paid. That is really a matter for the contractor, but it's helpful for us to be aware of things that are important in those discussions and things that will be priorities for them. We remain, I guess, open to having further conversations, but those sorts of contractual things are really a matter for the contractor.

Mr EDMUNDS - In terms of feedback throughout the process, like the other peaks - I mean they're the peak of workers, essentially. How will their voices fit in as this moves forward outside of what you talked about?

Ms BEACH - We will be able to have discussions with them as we do other parties. The taskforce example that I used is industry-formed. We didn't initiate that and we've been invited to attend, but there will be instances where we instigate those meetings because we need to do a check-in and understand how things are going.

Mr EDMUNDS - In terms of broader workforce, obviously a fair bit of the workforce is going to have to come from across Bass Strait or elsewhere. How many are we expecting to come in from outside of Tasmania? Do you have an idea yet?

Ms BEACH - In discussion with industry, there's a really important balance here in that we are looking to build up and enhance the industry we have - not put the industry under pressure by pulling everyone out of those established positions and moving them into direct employees. It's a really important balance and that's been some really strong feedback. Things like being able to map out, like I said, work packages when we get to the tender stage and we can articulate these are the specific work packages and requirements.

There are also requirements we will put into the contract, as set out, around having a connectivity manager. That was a required position that the contractor will have to have, and that means that there's a dedicated point of contact who is that point of contact for industry, for jobs hubs and they can flag things that will come up. There are opportunities for trainees and apprentices and the group training organisations (GTOs) that support them to make sure that they're doing that ahead of time and that is a dedicated work stream.

⁸ Community and Public Sector Union (Tasmania)

⁹ Construction, Forestry, Maritime, Mining and Energy Union (Tasmania)

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Mr EDMUNDS - You talked about housing. There'd be no scope in the housing you talked about building for the Stadium workforce to live there? That won't come before the Stadium?

Ms BEACH - The Stadium development will be ahead of that.

Mr EDMUNDS - Is there any planning going into where this potential workforce is going to live?

Ms BEACH - We have done some early work around capacity, but it is an area for further work and something we will discuss with the contractor.

CHAIR - Who's responsibility will that be - the contractor's, yours or the Government's or who?

Ms BEACH - With a project that a lot of people are aware of, we have had a lot of people approaching us regarding suppliers, housing, accommodation, materials, people wanting to come and work for us. All of those we're directing into a capability network that will be available for the contractor to have access to. We can be a conduit for all that information. If there were challenges with any of those elements, they would be raised with us by the contractor.

Mr JAENSCH - How would the workforce, now that we're talking about it, compare to the workforce that's been involved in Tasmania in recent and other major projects - like the Bridgewater Bridge or others?

Ms BEACH - I'm not sure without crosschecking the number of employees required at any given time throughout that process for the Bridgewater Bridge, but at a peak it's around 400 to 600 workers onsite in the peak development for the Stadium.

Mr JAENSCH - We're not doing the fit-out at the same time as we're doing the sitework and the construction, so it might be moving around through different workforces.

Ms BEACH - It is packages of works, yes, that's right. That's why the understanding of when those packages of work are coming is really important because there will be a lot of plaster to put up on those walls. Where that is will be a big surge, so we need to make sure there's planning for that, working through the volumes of concrete and when that's required. It will all be at different stages.

However, one of the things we will be assessing is the methodology for the delivery and given the number of moving parts to the Stadium in terms of the fit-out and the corporate spaces and the structures, it may be that there are different parts happening at different times on the Stadium development. Understanding the market capability is likely to actually inform that program.

Mr EDMUNDS - Just one more on the site agreement, if that's okay, that's in the realm of the contractor. You would have an interest in having continuity throughout the project around workforce, et cetera, so is that something you're predisposed to think would be a good idea or is any guidance going to be given throughout the process of choosing a contractor?

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Ms BEACH - The conversation that I had directly with those union representatives is it's useful to understand the principles that would go into a project agreement and it's helpful for us to understand, not so much to be a mediator, but to be aware of what those priorities are. It can inform our thinking as well.

Ms THOMAS - Thank you. I have another topic. Mr Winter touched on this before in asking about how the public will be kept up to date on costs. More broadly, I imagine there's a communication and engagement plan outlining how the MPDC expects to inform both the public and key stakeholders of project progress, but also engage with the public and key stakeholders on different aspects of the project. Can you confirm that communication and engagement plan exists and provide us with any detail on what that looks like and what and when both key stakeholders and the public can expect to be informed and be engaged with on the project?

Ms BEACH - Because the project has a number of different stages and we've already worked through a couple of those, we have an overarching program and in that there's specific things. We're looking to do a monthly update so we can let the public know what we're doing. We're just preparing one for January [2026]. That's particularly important at this stage in the project where we have a truckload of analysis, works and planning to do, but there isn't a lot to see onsite. For understanding and transparency, it is important we do that properly.

There is a lot to do. Not dissimilar to the snapshot I shared with the Committee before to talk about what we're doing, what we have done, what we will be doing next and what's upcoming. Trying to make that accessible, we will put that on our website, we will send it out to our email list. There are some specific things we need to do at certain times. There are things like dilapidation surveys, which is where we go and survey buildings near us to make sure that there's a clear condition report of those before we do any works. There are direct impacts and direct conversations we have with those stakeholders.

We will, of course, be announcing all our key milestones and when those things are happening onsite for activity. Some of those will be based on the nature of the program. Particularly for our neighbours we are implementing a quarterly check-in. It may be we need to speak to them more frequently, but at least if we check in with them on a quarterly basis, they will know what's happening around the site.

Ms THOMAS - What does that quarterly check-in involve? What does it look like?

Ms BEACH - We've nominated one of our team, our communications manager, to be a consistent person in all of those meetings, so that we're aware of any common themes that come up or if there are any concerns, but also a direct person who people can contact with questions. There are stakeholders I work with, so we would go to those meetings together. Having that consistency will be really important to make sure there's a person to call rather than just a general number.

Ms THOMAS - Is it a face-to-face check-in mechanism?

Ms BEACH - Yes.

Ms THOMAS - You mentioned a subscriber list. Can members of the public subscribe to get these monthly updates?

Ms BEACH - Yes, we will release a monthly update. In addition, we will be doing a newsletter. You can sign up through our website to participate in that. This will include the Stadium and any other activities or works - whereas the monthly update we will be putting on our website is really focusing on the Stadium for people that have interests and questions on that.

Ms THOMAS - Okay. Since the order was approved by the Parliament, what liaison has there been, if any, with key stakeholders, neighbours and other interested groups?

Ms BEACH - Key discussions - we have a live conversation with the Tasmanian Symphony Orchestra on putting in place an agreement for not just how construction will happen but also operations. That's working with the Department of Premier and Cabinet and with Stadiums Tasmania. There have been some face-to-face meetings with some of the neighbours who are immediately near the test rig work we've been doing.

As a stakeholder, as an industry, we've met with the Tasmania First Taskforce. I just met with the Tourism Industry Council Tasmania board immediately before this meeting. There have been a few other stakeholders. I can check our collective diaries and note any others.

Mr EVANS - There are weekly meetings between us and TasPorts, for example, about adjacent interests and projects.

Ms THOMAS - Yes, okay. What about groups including the Aboriginal community, the Federal Group, the Returned & Services League? Will there be further engagement with those groups at the next stage of the finalising of the design and things like that? Will that happen once the contractors are appointed or when will those sorts of further discussions occur with those stakeholders?

Ms BEACH - It depends on the stakeholder and the area of interest. I have a relatively casual meeting scheduled with the RSL Board later this month to come and look at some facilities onsite given the proximity to the Cenotaph. We engage with Federal Group on an issue-by-issue basis: they will also be part of our quarterly updates. They're also for operational things like the management of dilapidation, so conditions survey. Some of those will be direct with an individual, some of those will be through who they've nominated through their strata title management, for example through the Henry Jones. There's a number of different properties, so it varies, but our intent is to have at least a quarterly check-in with each of those stakeholders going forward through construction.

Mr EVANS - That will be important because, yes, when we get a head contractor, that will be critical, but before that we're going to have bulk excavation works happening. We're going to have the dismantling and relocation of the Goods Shed, so there will be activity on the site which might impact adjacent neighbours and stakeholders. There needs to be constant communication.

Ms THOMAS - As part of the discussions with State Growth or other stakeholders, has there been any discussion or does the MPDC have a view about access to Hunter Street from Davey Street as part of the final design and access?

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Ms BEACH - Not so much our view, but we're certainly aware there are bollards there that protect the access from Davey Street onto that area now, but there is a road access if those bollards are removed. The suggestion of removing those bollards for a period or permanently has been raised. The ownership of the road there is a little complex. State Growth owns Davey Street. There is some of Hunter Street that's the responsibility of TasPorts and some is the responsibility of the [Hobart City] Council. It is a bit of a complex space.

It will come down to safety. In that context Evans Street will remain open, the only time we've suggested there would be any closure of that street is immediately after an event when you have that sort of flush of people coming through. Closing that for around 45 minutes provides protection for pedestrians leaving that facility. In all other instances it would remain open. It's important for the businesses there. It's also important for us. It's a key access point for our site.

The potential to use Hunter Street, whether or not there's a need for that realised, but in the instances of where there's a short period of closure of Evans Street, it may be something that can be explored. I would defer to the road safety team and the road managers.

Mr EVANS - They're aware of that issue and actively considering it, as I understand. I have met with Federal Group, which has raised that with us, but it's beyond our responsibilities and legal capacity to be able to deal with that.

Ms BEACH - We did share that feedback and we can be a conduit, but it's not really a matter for us to advise on.

CHAIR - It's not decision made -

Ms BEACH - It's not part of the project itself.

CHAIR - In terms of the dilapidation reports, how broad is the radius they need to occur in?

Ms BEACH - It depends on the works. I don't have it with me, but I can find the list we have done in advance of the test rig. Depending on the activity, there's an area that guides that work. I can provide further information to the Committee about that.

CHAIR - It'd be helpful to have even a map of where and various parts of construction too. I accept that will obviously change.

Who has the cost of undertaking those dilapidation reports? Is that your responsibility or the head contractor's or who's?

Ms BEACH - That's an interesting question. It is something that probably would normally sit with the contractor. One thing we are very conscious of is there's the wharf refurbishment happening on TasPorts' land. There's the work that TasWater is doing on the decommissioning of the wastewater treatment plant. There will be the northern access road, so there's lots of activity and what we want to avoid is the same neighbour stakeholder having someone knock on their door multiple times to do essentially the same work.

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What we have been doing is looking at what surveys have already been done by TasPorts and TasWater and which ones we will require in addition and make sure they cover enough material for us to consider those. We want to manage the impact and having a more active role than we'd probably normally put on a contractor, but just to manage impacts on stakeholders, we will be looking to do this.

CHAIR - Where is that funded from?

Ms BEACH - That's part of the project budget.

CHAIR - So that's factored in?

Ms BEACH - Yes.

CHAIR - Even though you might not have to do as many as you thought, perhaps?

Ms BEACH - Yes. In terms of what needs a survey, that will be part of the construction environmental management plan for each stage. We could provide updates to the Committee as that list evolves, I guess. We can provide a point in time and then flag it at each of those stages to make sure I can provide an accurate answer to that.

CHAIR - You've talked a lot about additional things that MPDC has had to do, including managing the Commonwealth requirements like the master plan and the housing plan: are we likely to see a need to increase the budget of Macquarie Point Development Corporation? We're talking about some of that being funded from there and then the other bit over here for the project.

Ms BEACH - There are a couple of elements to that: one is our operating funding. Because we're not a department, we don't have an allocation. It's an operating grant that we need to seek. Each time we seek it, it's for that budget period and the forward Estimates. We will need to seek additional operating funds because the current approval will run out. We're also looking at the delivery of the precinct more broadly and infrastructure requirements that will likely be needed as that. We're exploring both what the return can be and what the cost of delivering those will be so that we can provide further advice on that.

I don't have a 'this is the cost', but there will need to be further infrastructure in place to support the delivery of the rest of the precincts. As an example, the water main that runs along Evans Street, we have a number of development parcels. It won't be able to access that unless we put in the services in between. For the precinct delivery, there are costs we need to work through.

CHAIR - So there are additional costs that need to be borne by Macquarie Point Development Corporation to enable activation on the actual Stadium site; is that what you're saying? Like -

Ms BEACH - On our site, not on the -

Mr EVANS - On the broader site.

Ms BEACH - Yes.

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CHAIR - I know that you're not responsible for the upgrade in whichever street it is - Davey Street, is it? That's where the main upgrade is? Or Evans Street?

Ms BEACH - The water main?

CHAIR - For the water.

Ms BEACH - It's in both. There's one on Brooker Avenue and one on Evans Street.

CHAIR - One would have thought that from the time we get to the boundary of what is considered the Stadium precinct, or site where the construction is, that beyond that point of connection, that would be Macquarie Point's responsibility under the contract? Under the order? Like that's -

Ms BEACH - It's not covered in the order. This is the activation of the rest of the precinct which there will be -

CHAIR - No, I'm talking about - you're going to have to have water for the toilets in the Stadium, hand basins, the hospitality areas.

Ms BEACH - Water, for example, is a headworks charge, which is one of the elements I read out before that make up the project budget.

CHAIR - Make up the what?

Ms BEACH - The project budget to access services.

CHAIR - Yes. It's a bit hard to know what's in and what's out. I will go back to the question: in this year's current budget, you've put in a budget submission for a grant, an operating grant, yes?

Ms BEACH - Yes, we will seek funds to continue our operating grant.

CHAIR - Are we likely to see that required to be increased? That was the question I asked at the outset?

Ms BEACH - Yes is the short answer, but it would be a matter for the Government whether that is progressed through the budget process, so -

CHAIR - If you're to deliver all the things that's needed to make the Stadium function -

Ms BEACH - There's just the difference between a capital cost and the operating cost. The operating grant is to cover our expenses. As we go from the planning and delivery stage that we are in now and transition into the delivery of these assets, there are some key roles that I will need to add to our team to enable us to do that. So, for example -

CHAIR - So your current budget doesn't cover those roles - that's what you're saying?

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Ms BEACH - Yes. We will need additional provision for some of that. Some of it is capitalised. As I went through the budget before, we are capitalising where people are spending time on those, but there is balance of time that people will have -

CHAIR - Your budget for your capital works that Macquarie Point Development Corporation will need to do, how is that funded?

Ms BEACH - The operating is for the people, the capital, so we have equity that funds our work at the moment.

CHAIR - And that will need to increase as the project progresses?

Ms BEACH - It will for the precinct delivery, yes, separate to the Stadium. How we seek to fund that is what we're working through. For example, each of those parcels we will take to market and there will be a return for that. What we're mapping out at the moment is each of those individual elements, our estimate for those and making sure there are robust estimates. They include contingencies and escalation and working through when they'd need to be delivered and then what the capital structure is to deliver that.

CHAIR - So you're expecting some of the activation of the rest of the precinct to occur as this other work is going on building the Stadium, to enable that revenue to flow back to Macquarie Point; is that what you're saying or not?

Ms BEACH - No. That's a separate treatment to the Stadium. To develop the rest of the precinct, that's where we're working through, what are all the costs involved in that to make sure we properly mapped and understand those to reflect the current precinct plan and the master plan for the site. To work out how we best fund those, we need to map those at a whole of life.

Mr EVANS - We would need to do this without the Stadium.

CHAIR - Yes, but we've seen a lot of money spent on Macquarie Point and not much happen there.

Ms BEACH - That's the nature of a site that needs remediation.

CHAIR - We have seen the site cleaned up and things like that. It has been going on for a very long time. Have you got a completion date that you're happy to predict?

Ms BEACH - For the Stadium?

CHAIR - Yes.

Ms BEACH - As the community would be aware, the agreement, the Club Funding and Development Agreement (CFDA) sets out milestones and practical completion. Then there's an operational - so there's additional time for things like turf that need time. What we've worked through in our market engagement is the date that's set out in that CFDA. We haven't had any concerns from marketing that. Having said that, we will have the best answer to that question after we've gone through the tender process, and we will know that as we're working through -

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Mr EVANS - It is difficult to answer that question without having been sent to market.

CHAIR - That's why I asked when are you likely to have a date?

Mr EVANS - Towards the end of this year we will have a clearer picture of that.

Ms BEACH - At the end of the tender process we will be contracting a delivery date and we will make sure we update everything at that point.

Mr EVANS - It is fair to say the current target date is in line with the agreement.

Mr WINTER - When do you expect that date to be - that process, where you will have a final date and a cost and all that?

Ms BEACH - Towards the end of this year or, depending on how long the contract negotiations go, that start of the following year. That is because the respondents, through the tender process, will need to put together a program and methodology that we will need to be comfortable with.

CHAIR - I want to go to risk management: you did talk about your assessment and management of risk. Sorry, I'm just trying to find the page.

Ms BEACH - It's not a page number, sorry, but I think it's -

CHAIR - Do you have a risk matrix or anything that you're able to provide to the Committee that highlights the key risks that present right now? For example, when we talked to TT-Line, we asked them what's the most pressing risk, it was the delivery of the gantry. The gantry has now arrived so that moved to construction of the gantry. I am trying to understand what the key risks are at this point and how you see them emerging over the life of the project.

Ms BEACH - We do monthly reviews on our risk specifically for this project and there is a risk matrix through the framework that I mentioned before. The things that are highest rated, and I guess consume most of our attention around mitigations, are things like making sure we are meeting user expectations. If we were to deliver a Stadium but it doesn't meet code requirements for cricket, AFL, rugby, that's pretty unhelpful. That remains a high risk: notwithstanding we have some mitigants to manage it because it is so critical.

We manage that through user workshops in the design process and we have compliance schedules where we track each of those requirements. Because it is not just a risk now in design, we need to make sure the delivery is implemented to make sure that none of that is compromised.

Integration with other works - as I mentioned, there's a lot planned to happen around the precinct and that integration is critical.

Another high one is that our procurement process supports outcome and participation.

That was something we reviewed through our market sounding and led to us doing a two-stage RFT rather than one, based on market feedback, because notwithstanding we need

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to be really careful and the community expects us to move quickly. The feedback from market was consistent that they needed enough time to properly do that analysis to give a fixed price.

The other critical thing was engagement with the local market, so an appropriate procurement process is one we have identified - that our governance arrangements are efficient to support timely decisions. It is that balance of oversight and, as I outlined, there's a number of Committees, but it is an existing risk.

The other high risk we manage is securing funds. That's not just securing it, but also making sure we receive it in a timely way so we can appropriately cash-flow the project.

CHAIR - Do you have a risk matrix or risk register that you can provide to the Committee?

Ms BEACH - We do. I could provide that in confidence.

CHAIR - Did you want to go there?

Ms THOMAS - I have different topics, so keep going if you like.

CHAIR - I don't think this is a decision for you, but I'm just asking questions. If it becomes apparent the cost can't be controlled within the agreed commitments that the government made, is there a point at which you say we can't deliver this? How are you going to manage that if it occurs? We understand cost escalations in this construction sector. Whose decision is it and how is that made?

Mr EVANS - I don't think that's a decision we can make and it's not really appropriate we speculate on what government might do should those circumstances arise. What Anne has outlined to you is the basis upon which we've planned around the number and the contingencies and other rigour that we've put into estimating those numbers. We're working on the basis that the budget we have been provided, the \$1.13 billion, will be sufficient. Should that not be the case then that's a different matter and not one I'd want to speculate on today.

CHAIR - You haven't had any discussions with the Government about what its response would be, should that occur?

Ms BEACH - I think the conversations we've had are the expectations are clear and if we're not able to meet that expectation we need to look at how we would mitigate that. If there's a time risk, if there's a budget risk, we would flag that and go here's some options to consider. I think it's a case of us providing advice for that decision to then be made. It is not a decision for us. If we found we have to step outside of those parameters, there's a process for that to be taken to the oversight committee and then to Committee of Cabinet to provide advice.

Mr EVANS - That's the route that we would choose to go on.

CHAIR - You did talk earlier about value management, which is another way of cutting costs. I would expect a taxpayer and a resident of Tasmania would expect that you haven't produced a very fat proposal with lots of things that are nice to have but not necessary. Is it fair to say that everything pretty much in the plan that you're working to is necessary to meet the requirements of the AFL and the -

Mr EVANS - And the other stakeholders.

CHAIR - Yes, so there is no fat in the project?

Ms BEACH - There are two parts to that. Value management is separate: there's scope. What are we looking to deliver and what is the cost of that? And then value management really looks at how we're going to do that. The value management that's been done at each of the design phases is looking at the rakers, as an example, that hold up the concrete, the seating bays, whether they're single or double, and then the supports required to those. They're the sorts of things that we've crunched and a double raker actually resulted in a saving rather than using a series of singles as an example.

That doesn't have any impact on the scope that we've been asked to do, but it is a saving. We can look at things like we could get very excited and cover the whole thing in glass and have excessive glazing, or we can keep it to balancing. You want to have a good fan experience and interaction with the city, but we don't need to have glazing in areas that are not required. Value management is not so much about scope, it's more around how we deliver those and what the opportunities are to safely deliver.

CHAIR - That value management could occur during the project?

Ms BEACH - It is continuous. It should be continuous and as part of the assumptions we've made on delivery, they're the sorts of things we will be looking for a contractor who's delivered infrastructure to identify more of those.

Ms THOMAS - To follow on that same line of inquiry. Is it fair to say if we're talking about scope, for example, if the tender comes back and it's way over \$1.13 billion and the scope had to be significantly changed, then you're going to know well in advance. We're not going to be at a point where we have a half-finished Stadium and all of a sudden, oh no, we can't finish it. That's generally what you hear in the public - we're going to end up with a half-finished Stadium. Well, through risk management and the governance of the project, it's reasonable to expect that you would know well in advance if the budget was expected to blow out and then it would be managed through scope or value management at that point?

Ms BEACH - Absolutely. We're actually not authorised to spend more money than has been allocated, so we couldn't do that. We couldn't sign a contract.

What we do have in the contract, that I mentioned before, is there was a cost allocated to functional design brief and the PPR (Principal Project Requirements). That's us outlining what we expect the contractor to deliver as outcomes and specific facilities; that effectively creates - there's a hierarchy, I guess, of the scope there. The scope that we have is based on user and operator feedback about what they have identified they need for the space to be successful. That does consider opportunities for revenue generation. It has a level of standard of some of those fittings.

There could be, in the instance that you indicated, and there was a budget challenge there, it would be really important for us to carefully go through a risk scope exercise to make sure we're not just chopping things out that could actually have an impact on Stadiums Tasmania's capacity to operate the venue or to attract some of the critical events we want to see.

Ms THOMAS - Moving on to a different topic, you mentioned earlier that MPDC has engaged a probity adviser specifically for the tender process. We also mentioned that the Public Accounts Committee received advice that the Government has now appointed its probity adviser, as per the governance framework on 28 January [2026]. Have you had any engagement with that probity adviser yet? I know it's only been a few days but -

Ms BEACH - No. I received correspondence from the Secretary of State Growth yesterday advising me of the appointments. We weren't involved in that appointment. It's purposely separate from us. We haven't had any meetings with them as yet, but the purpose of that probity adviser - they're focusing on the process through which decisions and implementations are made through the order.

We have a meeting scheduled with the EPA¹⁰ on Friday. We made sure we notified the Secretary of State Growth so that a probity adviser could attend. If those discussions then inform any subsequent decisions, then we're making sure that we're doing everything reasonable to give them a full picture of how that process happened. On Friday my answer would be different. I'd say yes, I've met one of the advisers.

Ms THOMAS - Yes, sure. Thank you. My next couple of questions are on different topics. They come from community-generated questions and interests.

In terms of the removal of contaminated fill on the site, has there been any consideration given to cleaning the fill on site and then removing it and or concreting over it instead of removing it?

Ms BEACH - They're really relevant questions. The remediation that's been done onsite already has involved soil farming, whereby you can reduce the classification, the level of contamination, by doing soil testing and adding materials. It can reduce it to a level where we can reuse. We will be looking to do those.

We have done some in-situ testing. Previously we would identify an area, investigate it, take some samples, and put together a remediation scope with the remediation advisers doing that work. They'd liaise with our accredited environmental auditor to check that's reasonable. We'd then do the works and the whole thing keeps going.

We have done some in-situ samples so that we have an informed assessment of what the level of contamination is of the material that we need to move. There is some material that we will look to soil farm on site as part of this and to reduce that contamination.

The second part: concreting. During the construction process, one of the things a site environmental management plan requires is for us to manage things like runoff and dust because of that contamination risk. That is not something we need to worry about when the site's developed, because it will be capped so that concrete or some sort of barrier does actually provide a protection.

We've had to think about that for things like landscaping. If we're looking to plant trees, for example, that have a decent root ball, we need to actually dig out that space and have a lining so that there's a clear line between fill brought in and existing because of the history of

¹⁰ Environmental Protection Authority

the site and that contamination. We can treat it to a point, but it still does have safeguards that are required.

Ms THOMAS - Thank you, and while we're talking about the contract before my other community-driven question: we heard about a report late last year about the concerns on sand availability and the potential impacts on the construction sector here in Tasmania. Has MPDC got concerns about how that might impact on the Stadium delivery?

Ms BEACH - No.

CHAIR - And cost on that, too? Unless there's been a new sand mine found down here.

Ms BEACH - The short answer is no. While it was identified in that report, it has been known for some time. Mineral Resources Tasmania is part of the Department of State Growth and we've engaged with them previously. They've invited us to speak to some of their team. That was a known challenge that with the completion of the Bridgewater Bridge some of that local supply was going to be depleted or extremely limited. There is a lot of supply in the north and so we have considered that and are aware.

Ms THOMAS - That's been factored into the project budget costs?

Ms BEACH -Yes.

CHAIR - The transport cost has been factored in?

Ms BEACH - Yes. These are the sorts of things that through the different stages that contingencies provide flexibility around that estimate.

Ms THOMAS - There's been some temporary basketball court infrastructure on the site that's recently been removed. Has there been any liaison with City of Hobart and/or the Government and/or Basketball Tasmania about alternative sites or locations or use of that infrastructure?

Ms BEACH - That was Yard 16. An important part of the site pre-development is that ongoing interim activation and we had a location out there that we fenced and, as you said, put in three-on-three basketball. We had some containers already on site that we localised there. We also had a container that features an Aboriginal artist, Takira Simon-Brown, and oral Palawa Kani from Theresa Sainty and a few supporting things like our Statement of Country.

We try to consolidate that into a family space so water and things are available. The intent of putting down those basketball courts and one of the challenges around interim activation is it is short term. We did actually look to see if we could fit a full-size basketball court, seeing if we could support the code in that way, but it didn't quite fit safety-wise.

We have packed those up. Our intent is to reactivate those as spaces are available. We haven't had anyone approach wanting to reuse those. We do have to be a little bit careful of every time you pick them up and put them down those tiles do wear and tear, but we do intend to reuse those on site.

Ms THOMAS - At the completion of the Stadium, not before?

Ms BEACH - Yes, because the Stadium will be delivered first and there will be parcels around it for future development. There are opportunities for community activation in those interim periods.

Ms THOMAS - Okay.

CHAIR - I will ask one and then I will go to you, Dean. You talked about the contingency for escalation costs earlier when we spoke about that. The contingencies for cost escalation have been factored in. Have they been benchmarked and what were they benchmarked against?

Ms BEACH - Yes. Escalation and contingency are separate. Then we also have market loading. Market loading is reflecting there can be an additional cost sometimes in having that sort of workforce that's coming in and out as opposed to all sourcing immediately locally.

In the contingency, there's design, construction and client. For each of those different elements we do have a construction plan that identified there's an allocation relevant for the stage of design. The contingency reflects that we are now at 70 per cent design in the allocation that's there. Escalation is identified differently. That's looking at market conditions and trying to estimate those kinds of inflationary costs.

There is a sort of a system and process for each of those. As we go through each of those elements, the contingency is effectively allocated. For example, once the design is fully documented that design contingency is effectively allocated to pick up any of those further details and potential costs that I'd clarify.

CHAIR - To be clear on that answer, at the moment - and correct me if I'm wrong - there's an overall contingency factored into the budget?

Ms BEACH - There are layers of contingency.

CHAIR - Yes.

Ms BEACH - There are three layers and they're at different percentages.

CHAIR - There's a dollar figure set against that overall?

Ms BEACH - It's based on a percentage of cost. The cost plan is built by - the trade cost is the first sort of piece. That's working through how many metres of concrete we need, how many bits of steel, and it's carefully costed through each of those line items.

Then there's an add-in that's based on sort of percentages and market on builders' preliminaries and builders' margins. The cost for them to set up the non-specific - so setting up onsite mobilising as well as the margins are effectively what they will get as a return. We then work through - it's built progressively. We then add resourcing, consultancy, head works and then the contingencies are added after those as a percentage of that price accumulatively, and then escalation at the end. It's a percentage that is sort of market-based rather than a dollar figure.

CHAIR - I will put it a slightly different way then, has the cost escalation risk been benchmarked, and if so, what against?

Ms BEACH - The cost escalation has been estimated based on the broader market and local market and estimates on inflation over the period leading up to construction in the construction period.

CHAIR - The expected construction period?

Ms BEACH - Yes.

CHAIR - Was it benchmarked against national escalation or Tasmanian or -?

Ms BEACH - It considers both, but it is looking at the Tasmanian escalation.

CHAIR - Who did that work?

Ms BEACH - That's part of the quantity surveyor's core business.

Mr WINTER - Back to an earlier answer, we were talking about the housing component and you talked about both social housing and key worker accommodation. Are those separate things or are they the same?

Ms BEACH - No, I only referenced affordable housing for key workers. There isn't social housing because social housing is a different thing and -

Mr WINTER - Yes, I understand the difference. I was trying to clarify whether there's only 15 per cent being affordable housing for key workers. Is the number of 100 in total consistent with what you expected when you released the precinct plan in late 2024?

Ms BEACH - The precinct plan level is identifying zones. We did have the same percentage intent, but the actual number is based on us working through some reference designs to see what you could reasonably achieve in that space.

Mr WINTER - I recall, maybe it was perception or it was stated somewhere, that the expectation was going to be much more than 100 homes. Has that changed at all or have the numbers been consistent?

Ms BEACH - I don't think.

Mr WINTER - Okay.

The other component was the complementary integrated mixed-use zone. Are you still looking at other commercial elements - hotels, for example? is that still on the table?

Ms BEACH - Yes, absolutely. Just for context for the Committee, that's the south-east corner; that's where the test rig is, the mixed-use commercial zone. That is a really important interaction point for the site, but also for development because it has that street address that links in through Evans Street. There was some market engagement to inform the master

planning on the types of interests, so hotels, office developments and different types of uses and we did get a particularly strong response to that parcel as an opportunity.

Mr WINTER - On specifically the hotel or the commercial office space?

Ms BEACH - Particularly interest in a hotel and particularly in that location.

Mr WINTER - Has that led to the change that you had from your ministry or directive around the competitive neutrality component of the ministerial statement of expectations. Is that what's driven that, or can you give us the background on that change?

Ms BEACH - The Statement of Ministerial Expectations is a mechanism that's provided in our Act. I believe it was added in 2018 as an annual statement the Minister can issue to the corporation to outline things that are important for the following financial year. They point to a number of things and the core part of it is the performance expectations about what the minister expects to see and then there is some contextual information. It does point to different things over time. Competitive neutrality principles apply to us regardless. It was just emphasised particularly. There may have been a policy update; it might have been part of community discussions at the time; but for whatever reason it was emphasised in that one and you tend to find different things will pop up in different statements.

Mr WINTER - Excellent. Thank you. I wanted to go, if it's alright with you, Chair -

CHAIR - Yes.

Mr WINTER - again, circling back to the order going through the Parliament there was a commitment secured, I understand, by Mr Hiscutt that if the State was going to need to spend more than above the new cap, which is \$875 million, the Stadium would come back to Parliament. Were you involved in providing any advice around that, or if not, do you have any involvement in how that might work or any visibility of it?

Ms BEACH - The short answer is no, because as the proponent that was actively not managed by us. Obviously, there are things that I might find convenient, but it's important to have another agency lead that work so we're balancing what will work well and what expectations will be, so we're not writing our own rule book. They weren't negotiated by us and we weren't part of those negotiations.

Mr WINTER - Do you have an understanding of how that would work in terms of the timing and what sort of Parliamentary approval would be required

Ms BEACH - If we were in that scenario requiring additional funds, that would be later in this year when we're going through that tender process. If there was a challenge, that would be the point for us to escalate and identify that then.

Mr WINTER - Accepting it's a hypothetical at the moment, but our job is to scrutinise this, so we're trying to understand how the process might work. Hypothetically, if there was a cost escalation later this year, you would advise - this is a question, rather - is it the parliamentary - is it the Public Accounts Committee you would advise or is it the Government? How would that process actually work?

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Ms BEACH - Hopefully, it's a scenario we don't have and it is a hypothetical, but we do have an oversight committee that provides advice to a Cabinet Committee. I think that the expectation would be we would advise the oversight committee if we had concerns. Then that would inform discussion with the Cabinet Committee, and then the next time we came to this Committee, we would need to provide an update on that as well.

Mr WINTER - So go see your governance committee, to the Cabinet sub-committee and then from there be providing information publicly and back to the Parliament.

Ms BEACH - I would anticipate. While there's the oversight committee that reports to the Committee of Cabinet, we also have a portfolio minister, and I imagine he would expect to be notified of that also.

Mr WINTER - Sure.

CHAIR - Is it possible to get a flow chart or something that shows the various Committees and the membership of them -

Ms BEACH - Yes.

CHAIR - and a structure of how that works. It would be helpful as a document. If it's too busy, maybe put it on two.

Ms BEACH - We could do a flow chart and then we could put a supporting note on who's on those Committees to make it easy.

CHAIR - Yes, that would be helpful. Something like that.

Ms BEACH - We do have in our risk plan an escalation that's been mapped out around how we would escalate risks if we have any issues that are appropriate for that.

Mr EDMUNDS - You provided something similar to that last year when we -

Ms BEACH - There was a governance and assurance document that was developed by the Department of Premier and Cabinet that was tabled, yes. In terms of specifics, it does identify the members of some of those key Committees, but we can provide that again.

Mr EDMUNDS - I have one question following up Mr Winter's questions. The commitments given to the Member for Montgomery and others - what, if any, impact have they had on the sort of the EOI process, et cetera? How do they impact that because they were pretty late in the piece and obviously affected workflow?

Ms BEACH - They don't so much impact on the expression of interest process. It's rather how we need to consider those things as we're going through the assessment process in terms of what we actually have the power to do and not do. As part of the oversight committee work, those commitments have been mapped out and different agencies allocated and they actively monitor those. Because there were a few in different places, it's been mapped out and that also is updated to the Committee of Cabinet. It means that those things aren't getting lost and some of them are point in time or future points. It hasn't so much impacted the procurement process, but it is something about how we monitor and report and keep on top of all of those - that's life.

Mr EDMUNDS - What about externally? Any feedback about things like that?

Ms BEACH - Around delivery of those? I'm not sure, but I imagine where there are individual members who have had an agreement, they might seek updates. Some of them will also feed into our reporting that we will do. For example, we will do reporting on local participation in terms of employment both by the contractor and subcontractors. There's a requirement to do that by percentage basis. We will do it by number also. I think for industry they're interested to see the types or the areas, so we'll try to map that. Some of that will become part of the reporting we will do. Others, I imagine, will inform some future decisions.

Mr EDMUNDS - But things like budget, if people are tendering and then there's the - well, if we go over by X, it has to go back to the Tasmanian Parliament, has there been any feedback about that?

Ms BEACH - Not specifically about how that process would work if it were required.

Ms THOMAS - It would have had to anyway: your budget is your budget.

Ms BEACH - If we don't have an allocation, we can't sign a contract.

Ms THOMAS - That's right.

CHAIR - I need to finish off the governance question there. This is not a reflection on the board, Kim, but we have seen challenges with board skills and capacity. In terms of your board make-up, what skills have you and in terms of personnel who have delivered major projects like this as well as the finance risk.

Mr EVANS - Yes, that's a really good question. I'm very happy with the calibre of the board. We have five board members. Anne's a board member. I'm the chair. We have a guy called Ron Finlay, who has very, very significant major infrastructure experience. We have Christine Covington, who's been a senior partner in Corrs and has extensive experience in this sort of area. We have another Sydney-based board member, Cathy Hales, who has very significant private-sector commercial experience, finance -

CHAIR - Can you provide their CVs to the Committee?

Mr EVANS - I would want to talk to them, but I wouldn't see a problem. Chris Oldfield you know.

CHAIR - He might have delivered irrigation but not a Stadium.

Mr EVANS - We have the core board membership. We have, for the last six months in preparation for this point where we have been waiting to get the planning approval - being ready to deliver once we get planning approval - have been doing a lot of work around what are the skills we have, where do we need to get access to other expertise.

Anne mentioned we have a couple of really key strategic advisers to the board and to the corporation. One, who will chair the procurement review, the evaluation committee, actually

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has real-life experience in delivering Allianz Stadium, as an example, in New South Wales, in Sydney.

CHAIR - Information around this whole structure would be helpful.

Mr EVANS - Yes, absolutely happy to do that.

CHAIR - That's not a reflection on anyone that's there, I just - yes.

Mr EVANS - No, no. A particular focus of the board is to make sure that we are properly resourced to deliver and can provide the right supports to Anne and her team.

Ms BEACH - In the interim, while we are liaising with board directors around copies of their CVs to share, I can forward to the Committee secretary an excerpt from our annual report that has a bit of a snapshot of each of those members.

Mr EVANS - We can give you some details on the other advisers and things like that.

CHAIR - That would be helpful, thanks.

Ms THOMAS - My final question should be quite quick, I hope. I know we are out of time. In terms of the test rig that's being constructed, what's the cost of constructing that and was that included in the budget, and was it always expected and therefore included in the budget or most recent budget? Is cricket contributing or has it been asked to contribute?

Ms BEACH - We are funding it as part of the \$1.3 billion for the project -

Ms THOMAS - \$1.13 billion.

Ms BEACH - Sorry, \$1.13 billion. That is included in the project budget and it was part of our estimate at the time of setting that. It is something - it wasn't initially something we proposed to do at the very start of the project, but it is something that we identified as being important to do. That is being fully funded as part of the project. There are not contributions from other parties, and the cost is around \$1.8 million.

CHAIR - Thanks very much. That's the first of many. We will write to you with the list of the things you've committed to providing. If there's anything that you want the Committee to maintain confidentially, please make that really clear and perhaps provide them in two separate attachments, including the one you've tabled, which we've already agreed to receive in camera. That way we can make sure there are no errors on our side of the agreement here.

Ms BEACH - Thank you.

CHAIR - Thank you. We will be back in touch

Mr EVANS - Thank you for the opportunity.

CHAIR - If we have further questions arising out of this, we will write to you in the interim, but we will schedule further hearings later in the year.

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Ms BEACH - For the next one, if it is useful, we can do a brief update and a sort of snapshot again if there are other things you want to include in the snapshot.

CHAIR - It is helpful to have that as part of our records as well, so thank you.

Mr JAENSCH - Thank you for all the work you've done.

The witnesses withdrew.

The Committee adjourned at 3:05 pm.