

Simon Scott
Committee Secretary
Parliamentary Standing Committee of Public Accounts
Parliament House

I thank the Parliamentary Standing Committee of Public Accounts for deciding to inquire into the processes and plans for a stadium at Macquarie Point and for consulting the Community as part of their processes.

I am a resident of Hobart with a strong desire to see it develop in ways that enhance its liveability and with good planning proposals that will be part of a well-planned and environmentally sustainable city honouring its past and preparing for its future.

1. There has been no rigorous, evidence-based analysis of the economic and social benefits to the community, comparing this proposal to other options for Macquarie Point.

The [Hobart Stadium - Site Selection Process](#) Report of February 2022 did not consider Macquarie Point. The public was led to believe that they were looking at a site on the Regatta Ground until the AFL visited the state and suddenly Macquarie Point was the chosen site.

If as we are led to believe having it at Macquarie Point is a condition for a state football team then the process and selection of site would seem most improper especially when there was an existing plan for housing, an Aboriginal area, Antarctic base and serviced outdoor areas for locals and tourists.

Why was there no discussion of sudden changes in the governments mindset from the period 2015 to 2020. In response to a question from Rob Valentine on 27th August 2020 the government forwarded this reply:

As part of establishing a dedicated precinct, the Australian Government and the Tasmanian Government are developing a business case for the creation of a state-of-the art Antarctic and science precinct, with the objective of attracting national and private Antarctic, Southern Ocean and science institutions to Macquarie Point. Potentially these will have the capacity to include both Australian Government and the Tasmanian Government tenancies.

<http://www.robvalentine.com.au/parliamentary-2/questions/questions-without-notice-gwn/macquarie-point-redevelopment-reset-vision/>

2. There is no publicly available information as to how a new roofed stadium became a condition of a Tasmanian licence to enter the Australian Football League (AFL). However the Government's stadium business case suggests the new stadium will host 7 AFL games per year, but still the AFL dictates how and where the stadium should be built.

AFL is not the only sport in this state and the decline in attendances would suggest it is no longer the most popular. Existing venues provide sufficient seating for the years ahead.

3. The cost-benefit analysis from MI Global Partners, commissioned by the Tasmanian government last year, and released recently, shows that the stadium will lose \$300 million over 20 years of operation. This means the proposal primarily benefits the AFL. It does not include the huge costs in maintaining an AFL football team in the state and there would certainly be a call for government entities to cover some of those costs.

The Tasmanian government claims the stadium will deliver \$2.2 billion to the economy over 25 years, which it will invest in "schools, hospitals, roads, social housing and future critical infrastructure projects". However an American study would dispute any such claim.

Economists Dennis Coates, Brad Humphreys, and I recently conducted a [comprehensive review](#) of more than 130 studies of the economic impact of sports teams and stadiums. Though the research methods, time periods, and stadiums examined vary, the findings are remarkably consistent: Teams and stadiums are not associated with having strong economic impacts on local communities. These findings explain why people in my line of work overwhelmingly agree

that sports stadiums are poor public investments. In a recent University of Chicago survey of economic experts, 80 percent of respondents [agreed](#) that stadium subsidies were likely to cost taxpayers more than what they get in return.

As for the rosy economic projections conjured up to support stadium subsidies? They are doomed by design. Easy-to-observe spending on tickets, concessions, and other related consumption in and around stadiums comes largely from local residents who were already spending their income locally. A family that buys hot dogs, peanuts, and popcorn at the game would have otherwise spent that money at some other local business, perhaps going out to dinner or a movie. Stadiums don't boost host economies, because stadium-related spending mostly isn't new spending. It's the same spending reallocated to a different location.
<https://globalsportmatters.com/business/2022/06/15/so-your-city-wants-sports-stadium/>

4. The stadium is expected to cost between \$750 million and \$1 billion. The AFL is only offering \$15 million. The rest has to come from Federal and State Governments.

Most Tasmanians would prefer that sort of government expenditure was used for hospitals, schools or housing.

5. The level of borrowing and costs on the assumed \$375 million Tasmanian Government contribution to the construction of the proposed new stadium at this high cost would be poor economic value. The stadium would require quick removal of the Sewage works. Does that require further borrowings.

State Governments have debts after the Covid outbreak and need to prepare for future health emergencies rather than increase debt levels for an uneconomic football stadium. These initial costings do not include projections for ongoing maintenance and repairs.

We have previous examples of government funding providing big venues for entertainment/sport/conferences and they have all struggled to be economically viable, let alone return the investment costs – The Silverdome, Derwent Entertainment Centre and Princes Wharf.

6. Why was the [Hobart Stadium - Site Selection Process](#) Report limited to 'an acceptable commuting/walking distance from the CBD (eg within a determined radius from the GPO), to maximise patron utilisation of existing CBD parking, passenger transport, accommodation and hospitality [p3]? The city would be in traffic deadlock if patrons for any event wanted to drive and park in the city.

Blundstone Arena has a 19,000 patron capacity in the South. Where is the report analysing a refurbishment of Blundstone if it is necessary? A refurbishment of UTAS Stadium in the North has begun. Is that money being wasted? Good planning and governance requires more consideration of options and investments than is evident in these proposals.

7. Why a government which has frequently cut public servant numbers to cut costs would establish a Major Stadiums business unit within State Growth and a statutory authority Stadiums Tasmania in relation to the proposed new stadium is beyond my understanding. Establishing Stadiums Tasmania would tend to suggest they are not interested in consulting the community or really analysing its needs which should be the primary responsibility.

8. Although your committee is primarily concerned with Public Accounts I believe you should be made aware of the inadequate analysis of this project. Many of these inadequacies have been made clear in the Hobart not Highrise submission.

If cultural context had been assessed honestly the project would have not proceeded this far. The proposed stadium would eliminate the peaceful and serene, open-air, wide-view aspects of, and

toward, the Cenotaph. The Cenotaph and memorial services would be overshadowed by the height and bulk of this stadium with a 28 metre wall above the escarpment facing the Cenotaph just a few metres away.

The heritage-listed goods shed, recently refurbished with plans in place for a 2,500sqm events area, would be demolished if the stadium goes ahead. The Longhouse, which the aboriginal Community has been developing as a meeting area with food gardens attached would be lost. Both these uses would be replaced by a massive building that is 31 metres high at street level

As recently as 2020 the Leader of the Government in the Legislative Council [said of the park:](#)

As part of the Government's reset, a dedicated 13 000 square metre open public space will provide a new premier parkland. The truth and reconciliation art park – the park – will be a centre of community activity, which will cater for large events while providing the city with a connection between the waterfront, the Queen's Domain and the CBD. This public open space will facilitate connectedness through play, interactive installations, public art, and green and cultural spaces.

<http://www.robvalentine.com.au/parliamentary-2/questions/questions-without-notice-qwn/macquarie-point-redevelopment-reset-vision/>

I hope your Committee will listen to the Public voices which seek better value from Government spending than a stadium that would provide.

Sincerely

A black rectangular redaction box covering the signature of the sender.