

TASMANIA'S NEW ARTS, ENTERTAINMENT AND SPORTS PRECINCT

STRATEGIC BUSINESS CASE



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Foreword

We have a once in a generational opportunity to deliver a transformational infrastructure project that will unlock economic activity and invigorate a sense of community and pride, delivering flow on benefits right across Tasmania.

Carefully reimagined over generations the priorities of Hobart's waterfront have been redefined over many years to utilise existing assets more effectively, and encourage inclusive, healthy and productive lifestyles.

To seamlessly connect Hobart's waterfront, Macquarie Point's potential needs to be fully realised. Macquarie Point as an arts, entertainment and sporting precinct, featuring a roofed stadium would become a global destination for events based on location and experience.

It will enable Tasmania to compete for events, concerts, conferences, exhibitions and sporting fixtures, whose organisers currently don't consider Tasmania as an option, due to the lack of world class venue facilities and capacity constraints.

All of these will bring jobs, economic activity and visitors to Tasmania and allow us to build the image of our State as a clean, sustainable destination that is leading the way in Australia.

It would be a critical infrastructure project that provides an imaginative solution for Tasmania – similar to the impact that MONA had in providing Australians and people from across the world with a reason to come here, to stay here, to spend here and to taste everything that is good about Tasmania and Australia – from our food and wine, to our wilderness and tourist attractions.

The precinct's design and construction will demonstrate to the world our State's green credentials – and why we lead the world in self-sustaining renewable electricity.

It will deliver jobs for our construction workers and allow Tasmanians to build greater expertise in the events industry, the conference industry and drive more traffic into our hotels, restaurants, bars and cafes.



JEREMY ROCKLIFF
PREMIER OF TASMANIA

It will strengthen Tasmania's economy, delivering \$2.2 billion in economic activity over 25 years providing more opportunity to invest in schools, hospitals, roads, social housing and future critical infrastructure projects.

Transport corridors will better connect communities and open further housing and development opportunities.

The precinct development will provide a stream of ongoing employment for those workers committed currently to projects such as the Bridgewater Bridge construction.

This is an infrastructure project that levels the playing field with other states and allows us to compete – really compete – on an international level for major concerts, sporting events, conferences and cultural exhibitions that Tasmanians normally need to jump on a plane and fly out of the state to have the opportunity to experience. Or in the worst case, move interstate to experience. It will also deliver and underpin the success of a Tasmanian AFL and AFLW team – a team that unites Tasmanians, provides benefits that flow to the north, north-west and south of the state and gives Tasmanians the opportunity to represent their State in a national competition that allows us to promote the best Tasmania has to offer – to the mainland and to the world.

Critics said no when MONA was proposed. Critics said no when the Tasmanian waterfront was redeveloped last decade, which now houses internationally rated hotels, restaurants and bars that attract people from around the world. Some critics are also saying no to this new arts, entertainment and sporting precinct that will – again – deliver jobs, tourism and economic activity that helps to build Tasmania as the place to live, work, play and visit. But these game changing projects

have delivered have each made Tasmania better in many ways.

The precinct will be developed in a way that is sympathetic to Hobart's maritime heritage, that showcases Tasmania's culture and boutique crafts, and is emblematic as the gateway to the Antarctic and Southern Ocean. There is, we believe, something special about a maritime and Antarctic focused precinct in the heart of a city.

The precinct can host the stadium, while benefitting the science and Antarctic precinct, hospitality venues and convention facilities, with scope and aspiration also to incorporate the proposed reconciliation park in liaison with the Tasmanian Aboriginal community.

Macquarie Point, thanks to the partnership with the Federal Government, has undergone significant clean up and remediation in readiness for development.

We envisage this precinct being a global drawcard which will benefit all of Tasmania.



JEREMY ROCKLIFF
PREMIER OF TASMANIA



Executive Summary

The new Arts, Entertainment and Sports Precinct will deliver significant economic, health, social and community benefits not just for Hobart but for the whole of Tasmania, including:

- \$300 million in additional economic activity and 4,200 jobs during construction of the stadium.

- \$85 million in additional activity and 950 jobs per year during stadium operations.

- Up to 6,720 jobs in the surrounding precinct.

Generating benefits for the whole community

Beyond the economic benefits, the project will deliver social benefits including:

- Catalysing renewal of the wider precinct, and surrounding parts of Hobart, by unlocking transport corridors and development opportunities, such as the proposed Northern Suburbs Transit Corridor and the ferry network.
- Expanding financial benefits to a wide range of businesses, including venue suppliers, hirers and sponsors, with multiplier effects throughout the state.
- Creating new jobs and helping to diversify Tasmania's economy.
- Encouraging greater sports attendance and participation, with improvements in physical and mental health.
- Enhancing the experience for sports and entertainment fans in Tasmania.
- Enhancing the brand of Tasmania and Hobart, contributing to the continued transformation of the state and creating a symbol of pride for the whole state community.
- Growing into a destination of choice – key attractor for interstate and international visitors to Tasmania the whole year round.

The Tasmanian Government is committed to investing in transformative

infrastructure, which will help the economy thrive into the future, providing jobs and opportunities for Tasmanians. Investments like this ensure the economy is in a strong position to pay for essential services like health, education and housing.

The investment in the Macquarie Point Stadium and precinct will also lead to more elite sports content right across the state, complementing Tasmanian Government investments into MyState Bank Arena and Wilkinsons Point in the south, University of Tasmania (UTAS) Stadium in the north and Dial Range Park in the North West, which will both be beneficiaries of AFL content on a scale not experienced before.

These investments are:

- \$125 million into the redeveloped MyState Bank Arena and the Wilkinsons Point precinct including the establishment of an Indoor Multi-Sport Facility and JackJumpers High Performance Facilities.
- \$65 million to progress a major upgrade of the UTAS Stadium in Launceston to improve the fan experience and also improve the amenity for players and officials.
- \$25 million for infrastructure upgrades to the Dial Regional Sports Complex. These upgrades will enhance spectator and participant infrastructure and enable statewide and national sporting events to be hosted in the future.



A place for Art & Culture

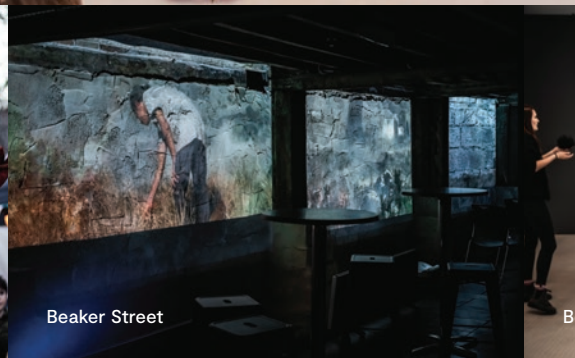
Tasmanian Museum and Art Gallery



Beaker Street



Ness Vanderburgh



Beaker Street



Beaker Street

Macquarie Point: a stadium for all seasons, and more

A new, roofed stadium at Macquarie Point would be far more than just a football ground. Macquarie Point Stadium presents an opportunity to offer something out of the ordinary that doesn't exist anywhere else in the world: to create a stadium that not only caters to, and attracts, world class sporting, entertainment events, business and conventions, but also creates a diverse, integrated precinct activated 365 days of the year that belongs to all Tasmanians and attracts visitors worldwide. Appealing to a broad fan base and building on the notion of the experience economy, Macquarie Point Stadium, a Stadium of the Future, aims to target multiple complementary revenue streams, realising wealth and employment opportunities to the broad community and to the State of Tasmania.

The Macquarie Point Stadium will be a place for:

- Excitement and entertainment
- Everyone
- Tasmanian aspiration
- Gathering
- Recognition and reflection
- Global connectivity
- The pursuit of the extraordinary.

The new multi-purpose boutique sporting and event stadium in Hobart will seat 23,000 people, and scale up to 30,000 capacity for large performances including standing room, and form the centrepiece of a new Arts, Entertainment and Sports Precinct at Macquarie Point – right on the doorstep of the Hobart CBD.

The precinct will attract international and national sporting, cultural and business events on a scale never before possible in Tasmania.

It's expected that at least 44 events (28 new to Tasmania) could be hosted at the new stadium, seeing 587,000 attend per year, including 123,500 overseas and interstate visitors.

The stadium is being designed as a contemporary multi-use sporting and entertainment venue, meeting the needs of fans and hirers including AFL, Football, Cricket, Rugby Union/League, concert promoters, and cultural, convention and business events. With a partly clear roof, it will be useable year-round, be a destination on non-event days, and be fully integrated with the precinct.

The design will be flexible for commercial opportunities and diverse revenue streams, as well as being accessible, safe, and secure. It will be inclusive and provide universal access as well as promote environmental sustainability.

Place making the precinct for the whole state

Internationally, leading sporting arenas are recognised as not just weekend places to visit, and attendees want much more than just a few hours of sport – they are after an experience, and spending time in the precinct engaging with a place where people want to linger.

Tasmania's new Arts, Entertainment and Sports Precinct is an unparalleled opportunity for large-scale urban renewal and place making on the doorstep of Australia's second-oldest capital city. The stadium will be the catalyst for redeveloping the entire Macquarie Point precinct.

The 9.3 hectare precinct is next to the Hobart CBD, and extremely well-located for transport, and for patrons to enjoy the hotels and bars in the CBD. The precinct is served by the proposed Northern Suburbs Transit Corridor and the new ferry network.

The site is wholly in state ownership. Its current master plan includes the Antarctic and Science Precinct and 'the Park' public open space. The intent of these can be delivered alongside the new stadium and other commercial opportunities, including hospitality and retail venues.





A place for Events



Adam Gibson

The story so far

For the past 2 years, alongside supporting the drive to secure a Tasmanian AFL/AFLW team, the Tasmanian Government has been investing in the planning required to develop the stadium and precinct. This strategic business case presents the findings to date, and outlines the way forward.

The Tasmanian Government has funded studies into site selection, engineering feasibility, cost planning, project scoping and resource planning, capacity optimisation, and economic analysis.

These investigations have identified the capital cost required for the stadium is \$741 million. Net of \$26 million of existing committed works at Macquarie Point, the funding requirement is \$715 million.

The Tasmanian Government has announced a commitment of \$375 million (in addition to existing funding for works at Macquarie Point and the value of the land). The AFL will contribute \$15 million to construction costs. A further \$85 million is proposed to be funded through borrowings against land sale or lease for commercial uses.

The remaining capital funding request to the Australian Government is \$240 million with funding backended between 2026/2027 and 2028/2029. This represents one-third of the total cost. No ongoing funding or subsidy is sought.





It's time for Tasmania to play on the biggest stage

Tasmania is Australian Rules Football heartland. It is a founding state of the game, but the only one without an AFL team. There have been a number of proposals for a Tasmanian AFL team since the early 1990s. Around 32,000 Tasmanians are members of existing mainland AFL clubs. The Tasmanian Government has been working hard to secure a Tasmanian AFL licence (AFL and AFLW) over the last 4 years. The AFL Licence Taskforce has been engaging tirelessly with the Tasmanian Government, the AFL and the wider community to advocate for the establishment of Tasmania as the 19th club in the AFL.

This year the Tasmanian Government has finalised its offer to the AFL: \$12 million plus CPI per year for 12 years for the club, plus a \$60 million contribution to club set-up costs and high-performance facilities. The AFL has accepted this offer and the 18 AFL Club Presidents are currently deliberating their vote on a Tasmanian licence.

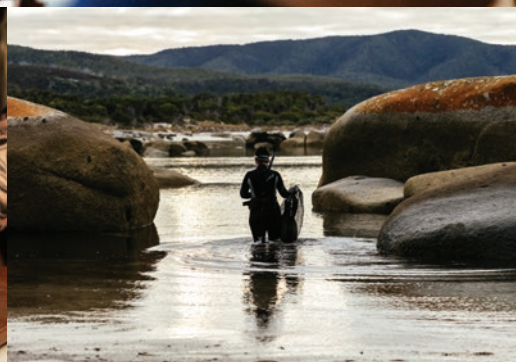
A new stadium will underpin the new Tasmanian club's commercial revenues, ensuring its sustainability and success.



A place for Food & Drink



Ness Vanderburgh



Brand Tasmania

Tasmania needs a venue that meets the market

While some AFL games are played in Tasmania, at UTAS Stadium in Launceston and Blundstone Arena in Hobart, the current venues do not fully meet AFL benchmarks and their locations are constrained for growth.

Their capacity is limited and the amenity they provide does not meet contemporary fan expectations. At these venues, many fans would miss out, especially against the big Victorian-based teams, who have existing supporters in Tasmania and attract thousands of travelling fans.

The evidence is clear: contemporary stadiums with the best fan experience increase attendance and drive significant economic benefits. Recent upgrades to Optus Stadium (Perth) and CommBank Stadium (Western Sydney) have seen significant attendance increases for similar events of 50% and 44% respectively.

The 2014 upgrade of the Adelaide Oval not only significantly boosted attendances but also created lasting tourism benefits to the local economy. Accommodation occupancy increased by up to 21% for football games, investment in new stock increased by nearly 9% and revenue by 30%. In just the first year, the new facilities delivered a \$170 million economic benefit, and regional value of \$74.5 million. This grew to well over \$320 million in 2015 with the ICC Cricket World Cup.

A new stadium is essential to secure a 19th AFL licence and for the financial sustainability of a new Tasmanian AFL Club – the commercial model relies on the returns gained by meeting current fan expectations, and capturing revenue from travelling fans.

In addition, a new stadium will promote gender equity. Facilities purpose-designed to accommodate female and male teams are essential to improve participation by women and girls, and develop professional pathways for female athletes.

Furthermore, while the new club will have a core of local talent, it will draw the majority of its players from interstate as it gets established. Quality elite infrastructure is critical to attract and retain players for an expansion club. A key selling point of the club will be an iconic, roofed stadium close to the Hobart CBD – fans will love going to it and players will love playing there. The stadium will help retain players and support the success of the new club.

Over 90,000 people from across Australia have signed up to the campaign for Tasmania to join the AFL. The Tasmanian opposition parties, Labor and the Greens, are united with the government in their support of the state's bid for an AFL and AFLW team.

Getting behind the new stadium and precinct opportunity

Currently, Tasmania misses out on major events such as internationals, world cups, top-tier concerts and major conferences and conventions due to the lack of suitable infrastructure. Tasmanians need to pay extra to travel interstate to see the biggest names in international sport and entertainment.

Tasmania has often been overlooked or has been made to accept second best. We need to be able to compete with other major cities and the capitals so that all Tasmanians have equal opportunity. We have the food, wine, clean environment and natural beauty to draw international tourists, but we don't have the convention and conference space.

Key stakeholders are clear on the benefits the Arts, Entertainment and Sports Precinct will bring:

“The benefits of this investment will be far reaching, driving more hotels, retail, office and recreational spaces. It gives Tasmania the opportunity to become a world-class destination for investment, migration and also liveability.”

REBECCA ELLSTON,
PROPERTY COUNCIL OF
TASMANIA EXECUTIVE DIRECTOR

“Right across Australia, we’ve seen these types of stadium infrastructure investments transform cities by igniting a whole new wave of economic activity that creates jobs, and stimulates investment. It’s about Tasmania being on the map for sport, entertainment and conference events we have never had a shot at bringing to the state before. We should expect our national teams like the Matildas and the Wallabies to play in Tasmania, and not just as token one-offs, but regularly, in a world-class roofed stadium in the heart of our capital city.”

LUKE MARTIN, TOURISM
INDUSTRY COUNCIL OF
TASMANIA CHIEF EXECUTIVE

Writing the next chapter

A project timeline has been prepared and work is under way to establish a dedicated project team to hit the ground running on confirmation of stadium funding and the award of the AFL licence.

Project definition and procurement activities will proceed over the next 2 years, including engagement with potential builders, operators and financiers, securing planning approvals, preparing a reference design and leading to the appointment of delivery contractor.

Construction is expected to take around 4 years, with the stadium ready to open by the end of 2028.

TASMANIA IS READY
TO PLAY AND ENTERTAIN

The Macquarie Point opportunity

The new Arts, Entertainment and Sports Precinct at Macquarie Point presents a once in a generation opportunity to secure a broad range of benefits for Tasmania.

Construction blitz to retain jobs, industry confidence and growth

Government investment in the new Arts, Entertainment and Sports Precinct will provide certainty to the Tasmanian construction sector beyond current committed infrastructure projects. This investment will help to grow and retain the skilled workforce, tradespeople and jobs within Tasmania by creating a pipeline of construction job opportunities that would allow for expanded TAFE courses and trade training centres to get our kids of today ready for the jobs of tomorrow.

Construction of the precinct and stadium starting in 2025 would provide significant demand and continuity for the local workforce following completion of the Bridgewater Bridge, a major project which currently supports around 830 jobs.

Global consulting firm PwC has estimated that the project would create 4,200 jobs during construction (see Appendix 4).

PwC's analysis estimated the total economic impacts (i.e. gross state product, employment and household consumption impacts) generated for the Tasmanian economy during the facility's construction, and 25 years of its operation. Consistent with other stadium and precinct appraisals undertaken in Australia and overseas, PwC used a computable general equilibrium model to estimate the economy-wide impact of the project. The methodology was informed by data collected from previous attendees at UTAS Stadium AFL matches in recent years, adjusted to account for inflation and the higher cost of living in Hobart.



A place for Tasmanian Inspiration



Natalie Mendham



Emilie Ristevski



Jobs during construction

During construction, the project would generate 4,200 jobs (i.e. 1,400 a year for 3 years) across sectors as shown below:

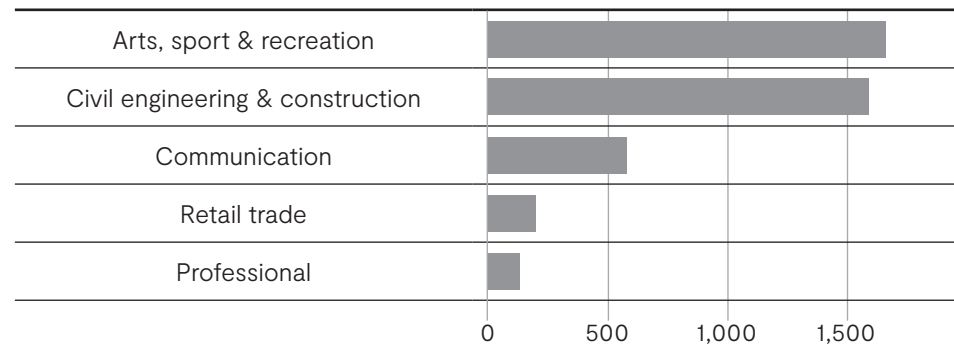


Figure 1: Construction jobs by sector. Source: PwC

Local employment, training and procurement

The Tasmanian Government is committed to supporting Tasmanians find jobs. To maximise the benefits of this project, the government will develop binding requirements in the delivery and operating contracts for the new precinct for companies to:

- Engage, train and employ a significant minimum percentage of Tasmanian and local employees, including apprentices and Aboriginal people.
- Preference Tasmanian suppliers for contracts, consulting engagements and materials wherever possible, including small businesses.
- These contractual mechanisms will contribute to addressing identified skills gaps and be informed by lessons learned from similar approaches in other jurisdictions.



Fuel Tasmania's economy, support and create jobs

Investing for growth

Contemporary stadiums with the best fan experience achieve increased attendance, which drives economic activity. Recent upgrades to the Adelaide Oval, Optus Stadium (Perth) and CommBank Stadium (Western Sydney) have increased attendance for similar events by 30%, 50% and 44% respectively.

The Adelaide Oval provides a compelling precedent. Located just 400m from the CBD, its upgrade, completed in 2014, not only significantly boosted sporting attendances but also created lasting benefits to the local economy. Tourism SA research shows that, after the upgrade, accommodation occupancy increased by up to 21% for football games, investment in new stock increased by nearly 9% and revenue by 30%. In just the first year of operations, the new facilities delivered an economic benefit of \$170 million, and an associated regional value of a further \$74.5 million. This grew to well over \$320 million in 2015 off the back of the ICC Cricket World Cup. Major events such as the Rolling Stones concert in 2014 attracted interstate and international visitors to South Australia, injecting \$10 million into the economy.

Economic boost

PwC have assessed that the new stadium will inject \$300 million into the Tasmanian economy during construction. Once built, the stadium will generate \$85 million in additional economic activity and 950 jobs in each year of operations (refer Appendix 4). This is in addition to the \$120 million forecast to be generated by Tasmania's own AFL and AFLW team per annum.

During operations, the stadium is estimated to support 950 jobs per annum in the following key sectors:

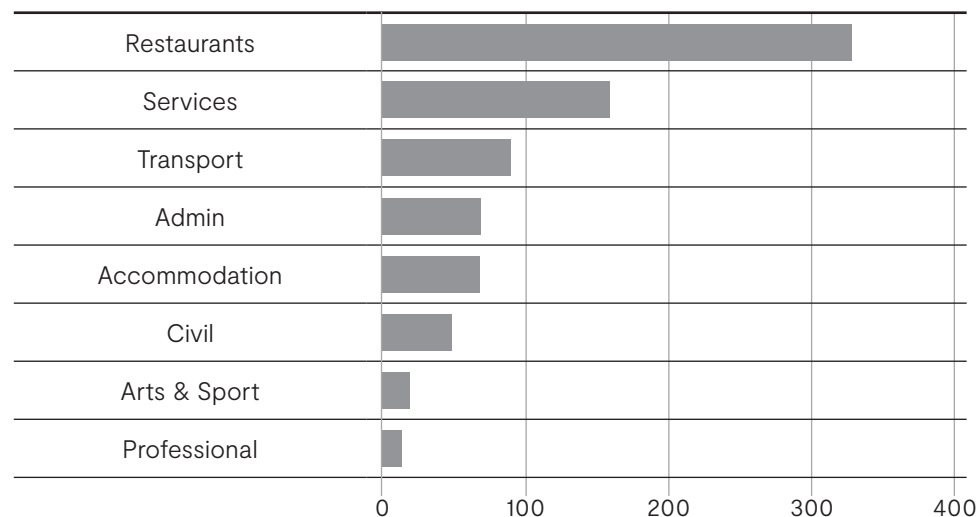


Figure 2: Annual operations-phase jobs by sector. Source: PwC

Direct expenditure

Macquarie Point Stadium is estimated to attract up to 420,000 attendees each year, contributing \$162 million in direct expenditure annually.

Increase to gross state product

The new stadium in Hobart is estimated to contribute \$85 million directly and indirectly in gross state product annually, or \$2.2 billion over 25 years.

Precinct benefits

PwC have also analysed the economic impact that would be generated by commercial land in the precinct, outside the stadium development (refer Appendix 5).

Commercial activity from developments in the 3 hectares available could generate up to a further 6,720 jobs and \$6.4 million revenue during operations, excluding construction benefits.

This includes provision for an Antarctic Science Precinct and a dedicated space for community and cultural development.



Unlock new, sustainable transport nodes

Unlocking transport corridors

Blundstone Arena is located on the eastern shore of the Derwent, over 7km by road from the Hobart CBD and poorly located for the majority of Hobart's residential population, its tourism accommodation and associated entertainment facilities. It is not well served by public or private transport.

In contrast, the new precinct at Macquarie Point is in the heart of Hobart's waterfront. It is much better placed for access from the heart of the city in the south and west. Its location will encourage more sustainable transport options: walking, cycling and other active transport, park and ride and other public transport, particularly from the North and East of the city. The hospitality offerings in and around the stadium will encourage people to arrive early and stay later at events, spreading the load on the transport network in a way which is not possible at Blundstone Arena.

The new precinct will help unlock transport corridors and with it the associated development opportunities. This includes the proposed Northern Suburbs Transit Corridor link and the ferry network – both of which are much needed.



Tourism Australia & Graham Freeman

Proposed Northern Suburbs Transit Corridor

The Hobart City Deal has recognised the opportunity the proposed Northern Suburbs Transit Corridor presents, with the 10-year shared vision signed by the Australian and Tasmanian governments and the Hobart, Glenorchy, Clarence and Kingborough councils in 2019. The Hobart City Deal has committed to activating the transit corridor, and City Deal Partners have committed to do so through transit-oriented development, which prioritises urban renewal and improves housing supply, affordability and diversity.

The Arts, Entertainment and Sports Precinct at Macquarie Point, at the southern end of the corridor, will present a once in a lifetime opportunity to support urban activation and renewal, contributing to a critical mass of investment in realising the corridor vision.



Derwent River ferry network

The Derwent River ferry service is an initiative under the Hobart Transport Vision being delivered through the Hobart City Deal. A trial service between Bellerive and Hobart commenced in August 2021, with passenger services during the peak morning and afternoon periods during weekdays. Due to high demand, additional services commenced in November 2021 and Saturday services operated during the summer months. The Tasmanian Government has committed to making the ferry between Hobart and Bellerive an ongoing service for travelling commuters.

The new stadium and precinct at Macquarie Point is ideally located not only to be served by the current ferry network but also to support increased ferry services. The Australian Government has also committed \$20 million to the Greater Hobart councils to establish 4 new ferry terminals on the Derwent River that will also assist with transporting people to and from the new precinct.

The Tasmanian Government is also investing funds to construct a new northern access road to the Hobart port, which is critical to its future operations and will complement transport and traffic management arrangements associated with the new precinct.



All-weather stadium for events year-round

Macquarie Point provides the opportunity to build a roofed stadium for all seasons. It will attract a new events industry and market on a scale never before possible, including national and international sport, concerts, artists, conferences, conventions and exhibitions.

Conferences and conventions

In addition to the major sporting and entertainment events hosted at the new stadium, the roofed stadium and precinct would be a game changer for the conference and convention space available in Tasmania. Currently, the Hobart Convention and Exhibition Centre has a capacity of 1,100. Wrest Point Hotel and Casino can seat 1,600. Business Events Tasmania has quantified that currently 377 conferences are too large for Tasmania to host. This equates to 523,031 delegates.

Around another 100 conferences hosting between 800 to 1,000 delegates could be accommodated, but in comparison to other regions, Tasmania's capacity for trade conferences is relatively limited, and many of these opportunities are lost to other states.

Additional conference and convention space within the stadium and precinct would allow Hobart, on behalf of Tasmania, to compete with the likes of Geelong, Darwin, Perth, Adelaide, Canberra, Brisbane and Cairns.

For example, the ongoing investment made to GHMBA Stadium in Geelong has not only allowed for more sporting events but has also enabled the city to host more functions and conferences because the facilities available can be used for functions and conferences during the week.

The new stadium would also complement MyState Bank Arena, which caters for boutique smaller to mid-range events.

A new precinct hosting even a portion of the currently foregone events would add even more to the job creation and economic benefits identified so far.

Tasmania is self-sufficient in renewable electricity, with one of the cleanest grids in the world. The new stadium will be developed accordingly, with leading approaches to sustainability including net zero climate impact from operational energy, and best practice embodied energy performance (e.g. through choice of materials). A climate positive approach will create a platform for exhibitions and conventions that wish to leverage this brand status.

Secure and expand current iconic events

The Arts, Entertainment and Sports Precinct would support the expansion of existing events centred on the Hobart waterfront and, in addition to AFL games (AFL and AFLW), would support demand for new events and content to use the precinct and stadium, such as:

- Football (Socceroos, Matildas, U23, A-League)
- Rugby (Wallabies, Wallaroos and Super Rugby)
- Cricket (international and domestic BBL)
- Basketball (NBL and international)
- Ad-hoc entertainment events (e.g. international football friendlies, supercrosses)
- Musical acts/ concerts
- World Cup content
- Business events including major conventions and trade shows
- Existing Tasmanian events (such as Dark Mofo, Mona Foma).



DARK MOFO WINTER FEAST

Hosting World Cup matches

In addition to AFL and other regular top tier sport, entertainment, and business events, a new stadium in Hobart could host one-off World Cup matches. It is likely that Australia will host additional major events in addition to those coming up in the 'Green and Gold decade' to 2032, including major world cups and the 2032 Summer Olympic Games in Brisbane.

Such events drive significant international and interstate visitation but also come with rigorous venue requirements. Tasmania has missed out on forthcoming World Cup matches due to not having a stadium that meets minimum capacity requirements and other venue specifications. A new stadium that meets up-to-date requirements could host multiple lower tier major event matches, and see Tasmania positioned as a base for numerous international sporting teams.

Event calendar

Independent research and consultation with event promoters has determined that an annual event calendar of 44 events (28 new to Tasmania) could be achieved with an estimated additional acquisition budget of \$5.3 million. It is projected that the stadium could see on average 587,000 in attendance each year. This would include 420,000 attendees from events that are new to Tasmania and 123,500 (104,000 from new events) interstate and overseas visitors.

This will enable the expansion of current iconic events such as Dark Mofo and Taste of Summer.

Events Tasmania

The Tasmanian Government, through Events Tasmania, is working to not only secure events that already take place in the state, but attract new events to Tasmania, with a new \$8 million Events Support and Attraction Fund.

The fund will help draw tens of thousands more visitors to Tasmania, and support Events Tasmania to actively target and secure mass-participation events that deliver the greatest return for investment.



Adam Gibson

A new dawn for tourism, retail and hospitality

Visitors from interstate and overseas

Around 70% of current interstate and overseas visitors to AFL games in Tasmania spend 2 or more nights in the state as part of their trip.

The extra AFL matches and other events to be hosted by the new stadium will expand this visitor market. The stadium is estimated to attract over 120,000 interstate and overseas visitors and up to 184,000 intrastate visitors annually, corresponding to 350,000 bed nights.

This will generate significant stimulus for retail and hospitality businesses large and small throughout the state and presents the opportunity to showcase Tasmania's micro-breweries, crafts and producers.

The Macquarie Point location on the edge of the CBD is ideal to spread the benefit of event attendees taking advantage of the restaurants, hotels and bars in the precinct and surrounds.

The Hobart Airport development complements the precinct investment

The Australian Government's commitment of \$60 million to upgrading the runway pavement to Code E standard will bring Hobart up to the standard of all other state airport runway infrastructure and enable direct, wide-body aircraft operations. This is particularly important in the context of Hobart's attractiveness and capability to host world class sports and entertainment events that attract international patronage. For example, the current runway capability (not requiring any exemption) is for narrow-body aircraft of up to 175 seats whereas wide-body operations will enable access for aircraft of up to 350 passengers.

Additional air capacity will further increase the benefits created by interstate and international visitors to the new precinct.

"The stadium's ability to draw new visitors to Tasmania would have huge benefits for the state's economy. A stadium like this with a pre-planned agenda of events will give small business the opportunity to know there'll be thousands of people flocking into the city and the state. Some people will come for major footy matches, others will come for concerts and they will do their 5 or 7 or 10 days here and the concerts will be a highlight of that along with the... beauty of our island."

**ROBERT MALLETT, CEO,
TASMANIAN SMALL
BUSINESS COUNCIL**

Complements and value-adds to Tasmania's Antarctic strategy

The precinct will be developed in a way that is sympathetic to Hobart's maritime heritage, that showcases Tasmania's culture and boutique crafts, and is emblematic as the gateway to the Antarctic and Southern Ocean.

The Australian Government's 2022 update to the 2016 Australian Antarctic Strategy and 20 Year Action Plan outlines an exciting future for Australia's Antarctic program. It sets out Australia's national interests in Antarctica and vision for future engagement. The 2022 update further strengthens Australia's scientific capabilities and sets out major projects to be undertaken. It also emphasises collaboration with other Antarctic nations and building Tasmania's status as the premier East Antarctic gateway. These activities are being driven by the Australian Government and the Australian Antarctic Division with the support of the local Antarctic community. New infrastructure at both the Hobart port and Hobart International Airport will also open up greater opportunities for Hobart as a shipping and aviation hub.



The Tasmanian Government is also supporting the development of a new Antarctic and Science Precinct at Macquarie Point in Hobart, which will be connected with Tasmania's new Arts, Entertainment and Sports Precinct. Facilities delivered as part of the Arts, Entertainment and Sports Precinct will be designed to complement the Antarctic and Science Precinct by leveraging opportunities to support business functions, conferences and other agglomeration benefits of having 2 unique precincts located adjacent to each other.

With new infrastructure being built, increased logistics and science collaboration between Antarctic nations, and the release of the updated Australian Antarctic Strategy and Action Plan, a number of substantial opportunities have emerged for Tasmania's Antarctic and Southern Ocean sector. The Tasmanian Government is directing its revised Antarctic Gateway Strategy 2022–27 at maximising these opportunities for the benefit of the broader Tasmanian industry and community. It is an important part of the government's long-term vision to build Hobart as a world-leading Antarctic hub and gateway that supports a thriving Antarctic sector.

The proposed upgrade to the Hobart port will enable the Antarctic vessel to berth adjacent to the proposed Antarctic and Science Precinct. This will link with meeting and conference facilities within the new stadium.



A cultural drawcard

Tasmania's new Arts, Entertainment and Sports Precinct presents an unparalleled opportunity for large-scale urban renewal and place making on the doorstep of Australia's second-oldest capital city. The new stadium will be developed as the catalyst for the entire precinct at Macquarie Point.

Detailed design of the precinct will consider and recognise the strong, spiritual connection that Aboriginal people have to country while embracing artistic and cultural expression. The design process will seek out and consider diverse views from members of the Aboriginal and the broader Tasmanian community.

Precinct and place-making opportunities

The current Macquarie Point Master Plan contains 2 key elements that define the precinct and will provide opportunities for ongoing engagement with the community. These are the proposed Antarctic and Science

Precinct, and the public open space labelled 'The Park'. The intent of these 2 key elements can be delivered alongside a stadium along with other commercial opportunities.

There will be development and commercial opportunities around, and as part of, the new precinct, particularly hospitality and retail venues. The types of development and locations will become clearer through design development and will be considered to complement the stadium and support a vibrant precinct on event and non-event days.

Cultural development

A 30,000 capacity top-tier entertainment and concert venue will draw international and Australian top-tier performers to Tasmania. Currently, Tasmanians need to pay more, to travel interstate to see these acts. Hosting them in Hobart will open up a whole new range of cultural opportunities for Tasmanians to experience in their home state.



Case study: the MONA effect and Dark Mofo as precedents for the new precinct

As with the Guggenheim Museum in Bilbao, Spain, which opened its doors in 1997 and drove strong tourism visitation, MONA (the Museum of Old and New Art) has become a massive tourism drawcard for Tasmania since opening in 2011. It has created its own 'MONA effect' – drawing comparisons to the 'Bilbao Effect' achieved by the Guggenheim Museum.

Located in Berriedale, MONA houses Australia's largest private art collection and rotating exhibitions from major contemporary artists.

MONA is an immersive and unique museum experience. It also houses a vineyard and winery, several bars and restaurants, a craft brewery, luxury accommodation pavilions and library. This unique museum has become a unique Tasmanian experience, driving awareness of the destination and significant media exposure globally.

In 2018, MONA visitors spent a total of \$861 million during their trip to the state (\$370 million on accommodation, \$149 million on transport and \$342 million on other items).

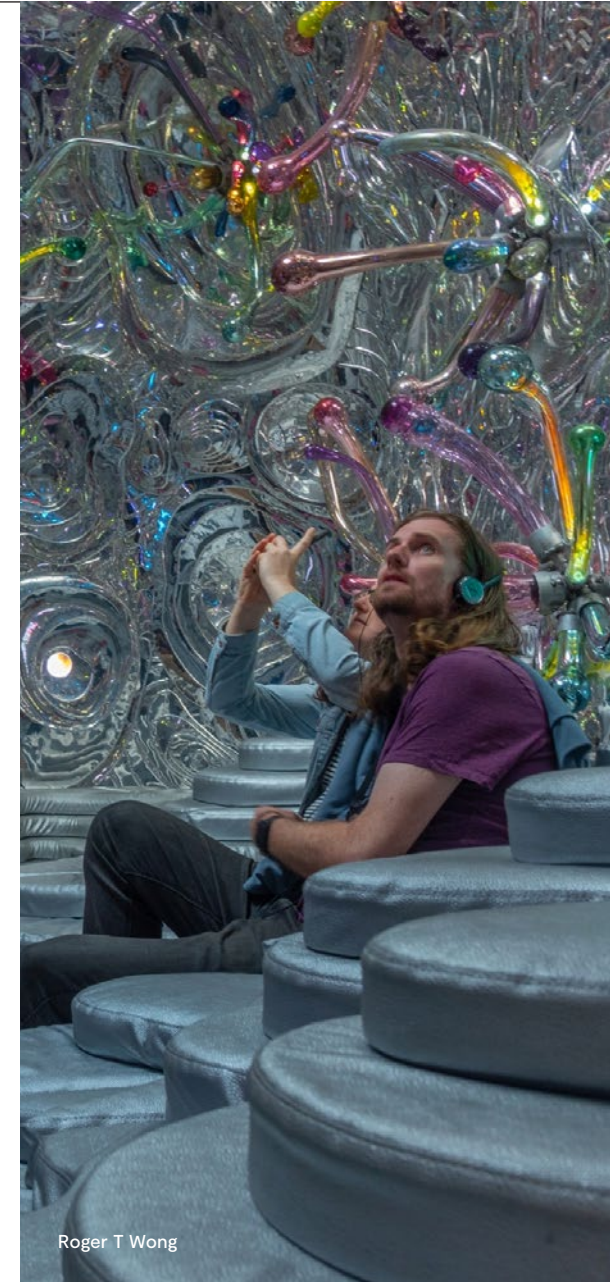
The Dark Mofo festival, which is part of the overall MONA offering, has transformed Tasmania's approach to winter and the local cultural event scene, providing a driver for visitation which brings vibrancy to Hobart streets.

In terms of destination marketing of Tasmania, the event garners significant national and international media exposure, and has consistently demonstrated increased social media reach and engagement. The event has consistently exceeded its attendance growth targets, and these high yield visitors demonstrate strong regional dispersal with 40% extending their stay to travel to other regions of Tasmania.

The event encourages locals and visitors to embrace winter, and the approach has spread to other regionally based winter events such as the Huon Valley Mid-Winter Festival and the Beaker Street Festival.

Tasmania's new Arts, Entertainment and Sports Precinct has the potential to follow in the footsteps of MONA and Dark Mofo, and build its own momentum as a significant attractor for Tasmania, and contributor to Tasmania's brand, nationally and internationally.

MILKCRATE MASSAGE TENT



Roger T Wong

Supporting Australian Government priorities

Tasmania's new Arts, Entertainment and Sports Precinct is a project that is consistent with, and supports the achievement of, many of the Australian Government's priorities, as described in the Australian Government's 2022-23 Budget. The table right summarises the alignment of the project with those priorities.

Australian Government priority	Alignment with the new Arts, Entertainment and Sports Precinct
A stronger, more resilient economy	<ul style="list-style-type: none"> Significant economic benefits for the whole of Tasmania. \$300 million in additional economic activity and 4,200 jobs during construction of the stadium. \$85 million in additional activity and 950 jobs per year during stadium operations. Up to 6,720 ongoing jobs and \$6.4 million revenue in the surrounding precinct.
Investing in infrastructure	<ul style="list-style-type: none"> The Tasmanian Government will invest \$375 million for the construction of the stadium. The Australian Government is invited to contribute to this city shaping project.
Supporting small business	<ul style="list-style-type: none"> The Tasmanian Government will preference local suppliers including small business, wherever possible.
Better access to training and skills	<ul style="list-style-type: none"> The Tasmanian Government will set minimum requirements for project construction and operational contractors to train the workforce and engage apprentices.
Government leadership on climate change	<ul style="list-style-type: none"> The stadium and precinct will have net zero climate impact from operational energy, and best practice embodied energy performance during construction.
A better future for our regions	<ul style="list-style-type: none"> The Tasmanian Arts, Entertainment and Sports precinct will attract over 120,000 interstate and overseas visitors to Tasmania. Around 70% of these are expected to spend 2 or more nights in the state. In addition to economic multiplier effects, an AFL and AFLW team for Tasmania will provide increased elite sport across the state and generate a symbol of pride across the state.
A better future for First Nations people	<ul style="list-style-type: none"> The new precinct has scope to incorporate the proposed reconciliation park. The Tasmanian Government will set minimum requirements for project construction and operational contractors to benefit Aboriginal people through this development.
Advancing gender equality	<ul style="list-style-type: none"> A new stadium will have fit-for-purpose facilities for female and male teams, supporting pathways for female participation and professional sport.

Our rightful place in the national AFL competition

Background to Tasmania's bid for an AFL licence

The Tasmanian Government has been actively pursuing a Tasmanian AFL licence (AFL and AFLW) over the last 35 years. This process has actively ramped up over the last 4 years.

Tasmania is regarded as a heartland for AFL football in Australia. It is a founding state of Australian Rules Football, but is the only state in Australia not to have an AFL team. There have been a number of proposals for a Tasmanian AFL team since the early 1990s and around 32,000 Tasmanians are members of existing mainland AFL clubs.

In 2019, the Tasmanian Government established the Tasmanian Football Board, chaired by former Legislative Council President Jim Wilkinson. The objectives of the Board are to promote Tasmanian grassroots football, as well as a pathway to establishing Tasmanian AFL and AFLW teams.

In mid-2019 the government established the AFL Licence Taskforce, chaired by Brett Godfrey, co-founder of Virgin Airlines, and consisting of people from the Australian business and sporting communities including James Henderson, Grant O'Brien and Errol Stewart, in order to prepare a business plan to support the establishment of a Tasmanian AFL team and make the AFL a truly national competition.

In February 2020 the AFL Licence Taskforce released its business plan, which contained a number of findings and recommendations to

support a Tasmanian AFL team. Amongst these was that the current stadiums would unlikely meet the demand of a new Tasmanian club, and therefore a new stadium with greater capacity would be the preference.

In 2021 the AFL commissioned Colin Carter, former Geelong President and AFL Commissioner, to undertake a detailed review of the Taskforce business plan to examine all financial, fixturing, talent and other relevant considerations.

In May 2022 the Tasmanian Government put forward a non-binding offer to progress the AFL's considerations with respect to granting AFL and AFLW licences to Tasmania. Following negotiations with the AFL, the Tasmanian Government has offered \$12 million plus CPI per year for 12 years for the club, plus a \$60 million contribution to club set-up costs and high performance facilities.

The AFL has accepted this offer and presented it as part of the bid to the 18 AFL Club Presidents, who are currently deliberating their vote on a Tasmanian licence.

The Tasmanian opposition parties, Labor and the Greens, are united with the government in their support of the state's bid for an AFL and AFLW team.

Advice from the AFL and AFL clubs is that a new stadium in Hobart is paramount to Tasmania being granted an AFL licence.

The case for a new stadium

Tasmania's current stadiums are not fit for purpose

While AFL Premiership matches are currently played in Tasmania, the stadiums are not suitable to host full-time match content. In 2022 North Melbourne and Hawthorn each hosted 4 home and away matches, at Blundstone Arena (Bellerive Oval) Hobart and UTAS Stadium (York Park) Launceston respectively.

From 2015 to 2019, Hawthorn averaged 13,480 in attendance at UTAS Stadium, with a highest attendance of 18,112 against Carlton in 2016. During the same period, North Melbourne averaged 12,236 at Blundstone Arena, with a highest attendance of 17,844 against Richmond, also in 2016.

While the existing venues currently, for the most part, meet the basic needs of spectators and teams for major sporting events, their capacity is limited (around 19,500 for UTAS Stadium and 17,500 including 11,000 seats at Blundstone Arena). The amenity they provide does not meet contemporary fan expectations. This would constrain attendances in the medium to longer term, especially for games involving sides with larger fan bases, such as the top drawing Victorian-based teams, which have existing supporters in Tasmania and attract significant numbers of travelling fans to matches in Tasmania. Furthermore, neither stadium provides the option to create a major multi-purpose all-weather Arts, Entertainment and Sports Precinct that will provide significant ongoing benefits for the Tasmanian community.

A new home for Tasmania's new AFL team

The evidence shows that Tasmania's AFL team will be strongly supported by Tasmanians. The AFL Taskforce business plan found that around 32,000 Tasmanians are currently members of AFL clubs and the Tasmanian AFL team could attract up to 28,000 ticketed club members in Tasmania. It is estimated that over half of the 28,000 would have access to each of the Macquarie Point Stadium matches. The existing stadiums would be unable to accommodate home club members, casual fans, Tasmanian-based away club members and supporters, and interstate visitors (including away members and others) to matches.

As seen with the Adelaide Oval upgrade, a new, roofed stadium in close proximity to the Hobart CBD, coupled with the opportunity for Tasmanians to support locally based men's and women's teams playing against established clubs with large supporter bases, would draw much bigger crowds compared to those seen so far at the existing stadia.

AFL stadium benchmarks

There is an AFL stadium benchmark for all clubs (both new and existing). All current AFL stadiums that host more than 4 games have capacity of approximately over 23,000, and all have recently been redeveloped / or are in the process of being redeveloped. A pre-requisite for the AFL's most recent expansion teams including Gold Coast and Greater Western Sydney included new or redeveloped stadiums, prior to entry in the AFL competition.

The new stadium is essential for the new club's financial sustainability

The AFL's financial modelling relies upon a new stadium to underpin the club's commercial revenues (membership, ticketing, corporate hospitality, etc). The commercial model estimates that around 5,000 people will travel per game to Hobart – which is not only a critical driver of club financials but the economic impact for the state more broadly.

Experience from clubs in Melbourne, Perth and Adelaide demonstrates significant uplifts (in attendance, yield, revenue) from redeveloped stadiums located in proximity to the CBD, and there are significant and growing expectations on the customer experience from AFL fans with rising standards in stadium quality and amenity across the country.

The growth in metrics from Adelaide and Port Adelaide clubs moving from Football Park/ West Lakes to Adelaide Oval in South Australia was transformational. In addition to the points above:

- For the clubs – Port Adelaide/ Adelaide combined net club revenue more than doubled – driven by both attendance and yield.
- For the state – visitors for events at Adelaide Oval nearly doubled, employment nearly doubled, and economic impact in the CBD was up by more than 200%.



Elite infrastructure is critical for player acquisition and retention, and gender equity

An important part of the business case for the Tasmanian AFL licence is the development of local talent to enable local Tasmanian boys and girls to represent their state on the national stage. Approximately 20–30% of the new club's inaugural playing list will be local Tasmanian players, with the balance required to relocate from other states.

Research and experience in other expansion markets indicates elite infrastructure (including playing venues and training and administration bases) are critical for player acquisition and retention.

A key selling point of the club will be a roofed stadium in proximity to the Hobart CBD – it will be an iconic stadium that fans love going to and players love playing at – significantly mitigating risk around player retention and supporting on-field competitiveness and success of the new club.

In addition, a new stadium with facilities purpose-designed to accommodate female and male teams is essential to improve participation by women and girls, and develop professional pathways for female athletes.

The Tasmanian Government is already investing significant funding into the following developments across the state, which complements the proposed investment into the Macquarie Point Stadium:

- \$125 million into the redeveloped MyState Bank Arena and the Wilkinsons Point precinct including the establishment of an Indoor Multi-Sport Facility and JackJumpers High Performance Facilities.
- \$65 million to progress a major upgrade of the University of Tasmania (UTAS) Stadium in Launceston to improve the fan experience and also improve the amenity for players and officials.
- \$25 million for infrastructure upgrades to the Dial Regional Sports Complex. These upgrades will enhance spectator and participant infrastructure and enable statewide and national sporting events to be hosted in the future.

A new stadium is an AFL Commission / AFL Club requirement

Under the AFL constitution, AFL Clubs have the right to overturn a Commission decision on new clubs entering the AFL / AFLW competition.

A key requirement identified by the AFL Clubs, is for a new roofed stadium in Hobart to be a precondition of the 19th licence to underpin the success and financial sustainability of the club.

Alternatives to building a new stadium

The existing venues, being only partially roofed, and, in the case of Blundstone Arena, surrounded by residential neighbourhoods, are not suitable for hosting major live concerts and other top flight entertainment events. A roofed stadium would not only improve the customer experience during the winter football season, but also create the opportunity to host major events such as concerts and conventions year-round.

Major redevelopment of the existing stadia to achieve the optimal capacity and deliver the best contemporary experience is not feasible as the sites are constrained. Blundstone Arena sits in a residential area, and UTAS Stadium lies between the North Esk River and a busy road.

**BLUNDSTONE
ARENA,
OVERLAID WITH
NOTIONAL 140M
REDEVELOPMENT
RADIUS**

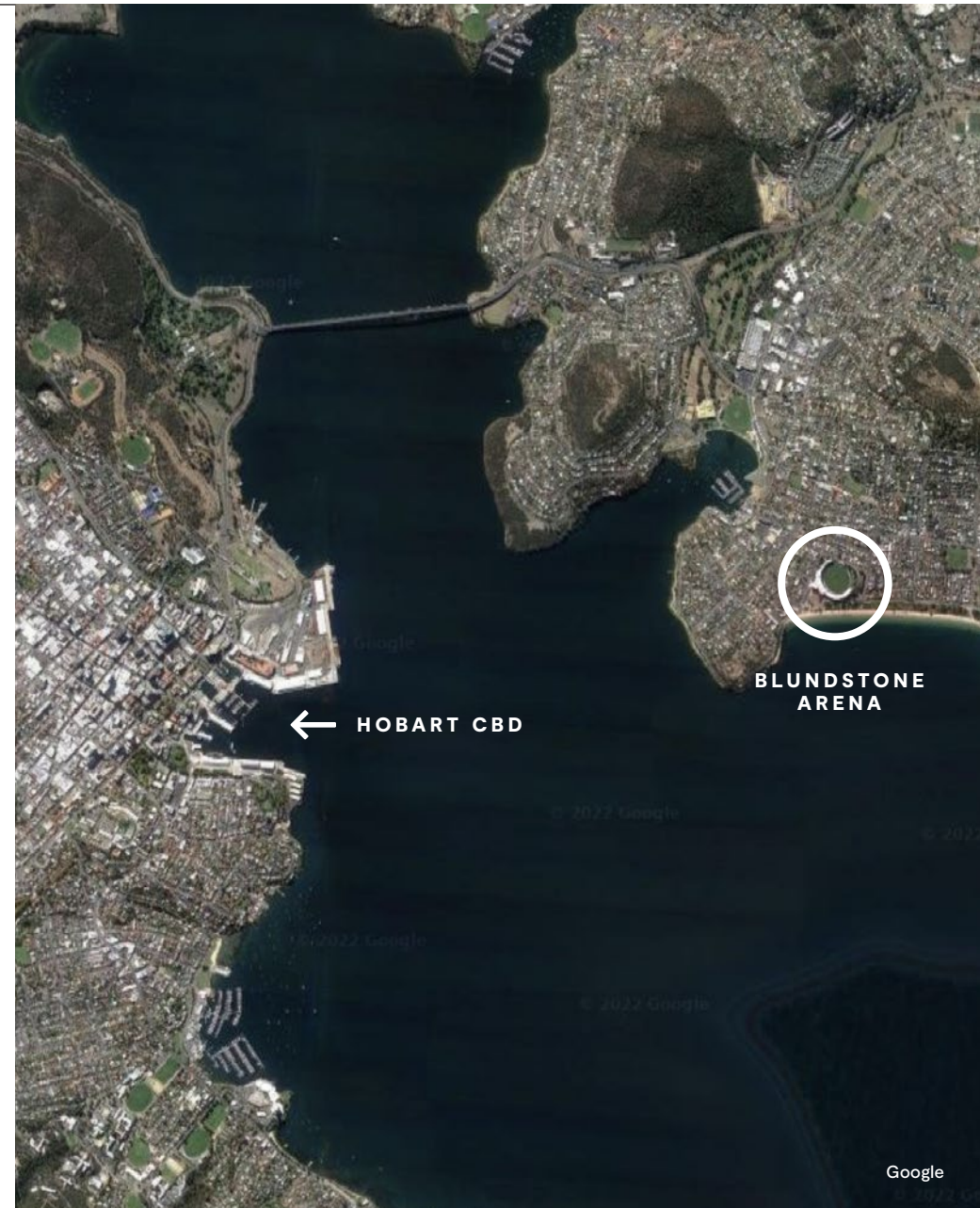


**BLUNDSTONE
ARENA LOCATION
COMPARED TO
HOBART CBD**

Additionally, Blundstone Arena is over 7km by road from the Hobart CBD and across the River Derwent not only from the CBD, but also from the majority of Hobart's residential population, its tourism accommodation and associated entertainment facilities. It is not well served by public or private transport. Consequently, access for events is challenging and presents a constraint to growth. Further, it is difficult to capture the participation in hospitality offerings before and after events that generates important economic activity, given this is very limited in the area and consequently participants tend to make their way home directly which also adds to traffic congestion issues as a staged exit is not possible.

Accordingly, the Tasmanian Government investigated a number of suitable sites for a new stadium within easy reach of the state capital, Hobart, and determined that Macquarie Point is the preferred site. It provides better transport options and the ability to retain people within the precinct and also within the CBD prior to and after events.

Subject to achieving an AFL licence, with the potential prospect of an A-League team, and with a growing population, Tasmania needs a new stadium that can meet the state's needs for decades to come.



Project details

The vision

Macquarie Point Stadium presents an opportunity to offer something out of the ordinary that doesn't exist anywhere else in the world: to create a stadium that not only caters to, and attracts, world class sporting, entertainment events, business and conventions but also creates a diverse, integrated precinct activated 365 days of the year that belongs to all Tasmanians and attracts visitors worldwide. Appealing to a broad fan base and building on the notion of the experience economy, Macquarie Point Stadium (a Stadium of the Future) aims to target multiple complementary revenue streams, realising wealth and employment opportunities to the broad community and to the State of Tasmania. The Macquarie Point Stadium will be a place for:

Excitement and entertainment

It will be a world-class stadium hosting elite and cultural events including concerts, joining other Australian stadia capable of attracting and promoting international artists and offering more affordable access for Tasmanians.

Everyone

More than just a stadium, it will be a precinct where the community feel they belong – a place to experience and be inspired, supporting a diversity of activities including festivals, community sports, Monster Jams, art galleries and theatre, while integrating and connecting to parklands, playgrounds and the River Derwent.

Tasmanian aspiration

Macquarie Point Stadium will celebrate and advance all things Tasmanian – expanding aspirations, incorporating sustainability and carbon neutrality, celebrating local materials, supporting local industry, and providing pathways for our youth to dream big and excel in their sporting endeavours. It will rival what is available in the other states and ensure that Tasmania is not left behind.

Gathering

The stadium will be a destination for Tasmanians and visitors to come together and connect throughout the year through local produce markets, cafés, restaurants and destination dining, bars, street food pop-ups, external activated spaces, retail, playgrounds and water experiences.

Recognition and reflection

An equitable and inclusive precinct inviting opportunity for recognition, wellness, self-health and reflection through cultural values and activities in museums, galleries and reflection gardens and spaces.

Global connectivity

The precinct will link Tasmania with the nation and the rest of the world through digital connectivity, broadcast TV, business events, education and research, and the gateway to the Antarctic.

More information about the Vision is provided in Appendix 1.

Strategic alignment

Tasmanian Government policies and priorities

The Tasmanian Government has a coordinated set of policies supporting the development of the new Arts, Entertainment and Sports Precinct at Macquarie Point, Hobart. These are delivered through key relevant agencies outlined below.

Stadiums Tasmania

In April 2022, the Tasmanian Government announced the establishment of Stadiums Tasmania to oversee the management and development of Tasmania's major stadium assets and infrastructure, including the new stadium at Macquarie Point. This will position Tasmania and its sporting infrastructure to be able to be represented in national sporting codes.

The establishment of Stadiums Tasmania will centralise the ownership, management, and capital development of these assets under a single entity with a statewide perspective. Stadiums Tasmania will ensure the effective and efficient operation of these assets; ensure they remain fit for purpose; ensure they continue to meet the future needs of sporting codes, other users, and audiences; and further develop staff expertise in stadium management.

Historically, the management, and development of these assets has occurred without the benefit of an overarching statewide strategy. Establishing Stadiums Tasmania will address this issue and align Tasmania

with the approach adopted by other states, where national standard stadiums are managed by government.

A Chairperson has recently been appointed. The recruitment processes for the Board members and Chief Executive Officer (CEO) of Stadiums Tasmania are currently being progressed.

Tourism

Tourism has been a key industry for Tasmania for generations and is one of the state's largest employers. The Tasmanian Government is committed to maximising the state's potential as a tourist destination and ensuring all Tasmanians can reap the benefit of a flourishing visitor economy. The government is investing \$83 million, backing a key industry worth \$3.6 billion to the state, while underpinning around 43,200 direct and indirect jobs, representing over 17% of the total workforce.

Tourism Tasmania is working in partnership with stakeholders in the visitor economy to support and lead the development of the T21 Visitor Economy Strategy, 2030. The strategy will set a shared and common vision for government and industry with a deliberate agenda for responsible and sustainable tourism – holistically, environmentally, culturally, economically and at a community level.

The cultural and sporting events and visitor experiences at the new Arts, Entertainment and Sports Precinct will be a significant drawcard for visitors to Tasmania for decades to come.

Other key policies

The table below illustrates other key policy areas that support and are complemented by the new Arts, Entertainment and Sports Precinct:

Policy area	Alignment with the new Arts, Entertainment and Sports Precinct
Building a bright future for hospitality	<ul style="list-style-type: none"> · Supporting the hospitality sector and its 22,000 Tasmanian jobs · Developing Hospitality 2030, a long-term plan and shared vision for the industry
Creating a “high vis” army	<ul style="list-style-type: none"> · Boosting capacity and skills to unleash the building and construction sector · Working with industry groups and TasTAFE to identify and fill skills gaps
Helping all Tasmanians participate in sport and physical activity	<ul style="list-style-type: none"> · Comprehensive voucher and grants programs to kickstart grass roots participation
Supporting the arts and our creative industries	<ul style="list-style-type: none"> · 50% increase in annual funding to arts organisations · \$3 million to Screen Tasmania’s Screen Innovation Fund · \$1 million for the Live Performance Reactivation Program
Football (world game)	<ul style="list-style-type: none"> · \$10 million investment for football facility upgrades, for players, spectators and to increase participation · Help Tasmania’s push to host base camps for international sides during the Women’s World Cup in 2023 · Ongoing discussions with Football Federation Tasmania to establish an A-League team in Tasmania
Delivering local jobs for local people	<ul style="list-style-type: none"> · \$1.5 million Jobs Tasmania Partnership fund, for partnerships between the Tasmanian Government and the non-government sector to support local people into local jobs

Table 2: Key policy alignment

Project scope, design and location

The new Hobart multi-purpose sporting and event stadium will seat 23,000 people, scaling up to 30,000 for large performances including standing room, and form the centrepiece of a new Arts, Entertainment and Sports Precinct at Macquarie Point.

The precinct is planned to attract international and national sporting, cultural and business events on a scale never before possible in Tasmania. The new stadium will be the catalyst to unlock development at Macquarie Point, delivering economic and social benefits during construction and well into the future.

The roofed stadium will boost Tasmania's capacity to host world-class sporting and cultural events, enabling numerous events to proceed indoors.

Requirements

The new stadium will be a contemporary boutique sporting and event stadium within easy reach of the Hobart CBD.

It will be a contemporary multi-use sporting and entertainment venue, which uses technology solutions and services to meet future customer expectations.

An initial set of product requirements and draft functional brief have been prepared during pre-feasibility, and will be refined in order to:

- Promote year-round use of the stadium and precinct and make them attractive and active destinations on non-event days.
- Promote accessibility, safety and security to be inclusive and provide universal access for all customers including casual visitors.
- Deliver environmentally sustainable infrastructure and high quality and attractive public spaces.
- Provide flexibility to promote commercial opportunities and diverse revenue streams.
- Ensure that the precinct and stadium are functional and efficient by providing for cost-effective operations and maintenance.
- Establish and meet the needs of attendees and venue hirers (such as the AFL and other elite sporting codes) along with music concert promoters and other cultural events.

Capacity analysis

The new stadium is estimated to host 44 events per year. Based on an assumed event calendar, this translates to 171 events across a 4-year cycle. The optimal capacity of the stadium has been determined by considering the point at which demand exceeds capacity, and comparing the resulting reduction in revenue with the additional cost of building for that extra capacity and event acquisition costs.

The benefits (i.e. yield – the new money spent in Tasmania as a result of visitation to new events) generated through event content outweigh development costs at an increasing rate from 18,000 to 22,000 capacity, before plateauing and then falling when the capacity increases above 24,000 (refer Appendix 7).

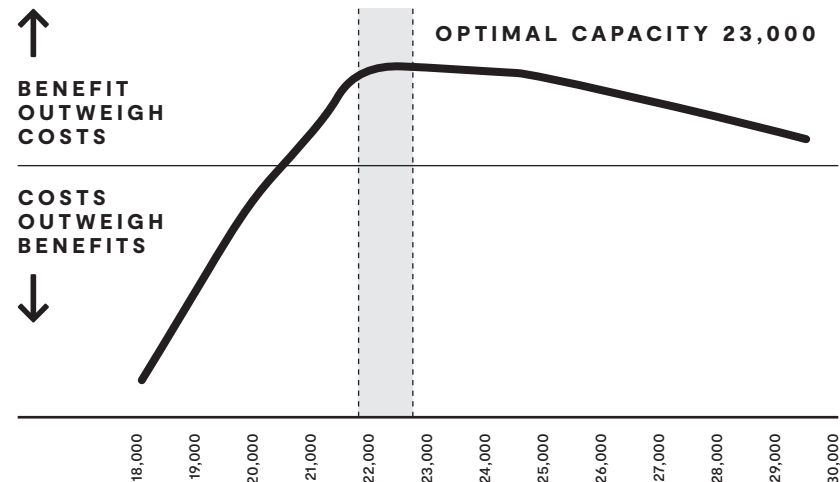


Figure 3: Optimisation analysis – Benefits relative to costs. Source: MI Global Partners

Key stadium scope features

The key features of the stadium scope are listed below. These have been derived from the technical work undertaken to date including site suitability assessment, technical and constructability assessment, preliminary cost benchmarking and capacity optimisation analysis. The scope is subject to future refinement during the project definition and procurement phase, including through the concept and detailed design. Analysis to date has been based on reference projects such as Marvel Stadium in Melbourne and Metricon Stadium in Queensland.

Category	Detail
Stadium type	· Tier 2 (boutique)
Stadium alignment	· North-south
Field of play	· Oval, natural grass
Design life	· 50 years
Capacity	<ul style="list-style-type: none"> · 23,000 seats · Bump-in seating and use of field of play for concerts · Seating bowl fixed around an oval field of play
General admission/ premium product split	· 60%/40% assumed to date
Function/ corporate/ event space/ hospitality	· 1,500 plus potential for hotel accommodation
Back of house areas	· Including kitchens, deliveries, team drop-off, player change rooms, media facilities
Benchmarking of seating bowl and facilities	· Metricon Stadium, Gold Coast, Queensland

Façade	<ul style="list-style-type: none"> · 31m high facades from the top of the seating plat to the top of the roof structure comprising mixture of glazing, precast and operable louvres
Roof	<ul style="list-style-type: none"> · Fixed part solid/ part ETFE roof (similar to Te Kaha Canterbury Multi Use Arena, Christchurch) above entire stadium including field of play
Sports lighting	<ul style="list-style-type: none"> · To be confirmed, to meet broadcast television requirements and deliver appropriate participant and crowd experience
Car spaces (non-public, back of house only)	<ul style="list-style-type: none"> · 40 (subject to refinement)
Other product elements	<ul style="list-style-type: none"> · Venue wi-fi or distributed antenna system
Enabling works	<ul style="list-style-type: none"> · Demolition of existing warehouses and all other structures not being retained · Relocation of brewery · Removal of 10,000m³ of Cat A contaminated material surface · Precast piling to a depth of 20m · Connection to the existing services infrastructure · Minor relocation of existing road infrastructure
Landscaping and surrounds	<ul style="list-style-type: none"> · External concourse 10m around full perimeter · 3,600m² plaza/ meeting space · Precinct hard and soft landscaping
Public art	<ul style="list-style-type: none"> · Integrated with surrounding precinct

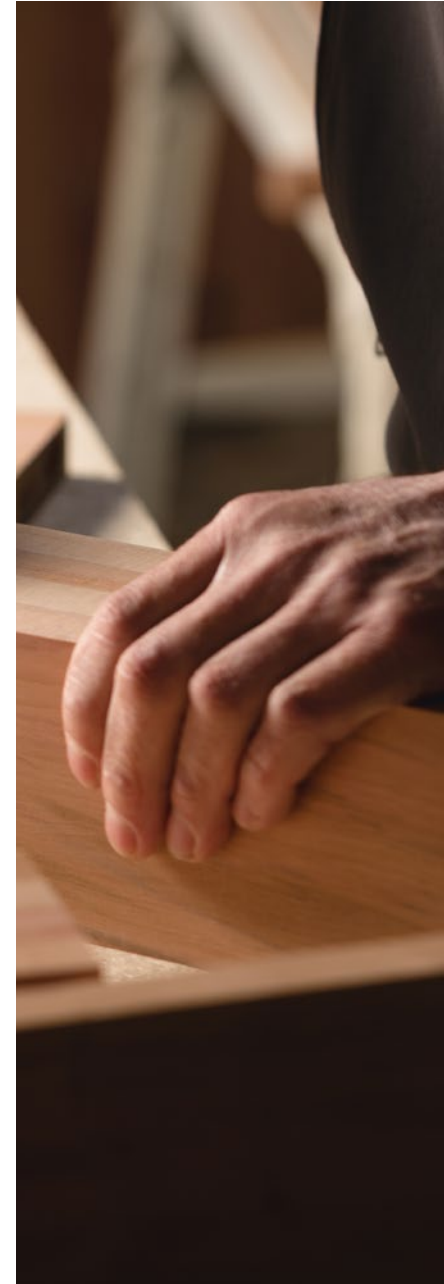
Table 3: Key stadium scope elements



Sustainable design

The stadium design will aim for leading approaches to ecologically sustainable development including:

- Net zero climate impact from operational energy
- Embodied energy performance (e.g. through choice of materials)
- Minimising waste and maximising recycling of materials during construction
- Capture and re-use of rainwater for irrigation.



About Macquarie Point

Macquarie Point is a 9.3 hectare site next to Hobart's CBD and is adjacent to the Port of Hobart. The site is extremely well located for ferry, pedestrian, cycling and road-based passenger transport traffic.

The site has a long history. It was originally the home of the Muwinina people, and over the past 200 years it has had many, largely industrial, uses. As a key site for early European settlement, Macquarie Point has been a farm, an abattoir, a lumber yard, a gas works, cold store, goods storage, and used for rubbish disposal, by the military, and for freight and rail.

Macquarie Point Development Corporation

Supported by Australian Government funding, the Macquarie Point Development Corporation was established to remediate the site, and to support development to transition the site into a vibrant mixed-use precinct. It is a Tasmanian Government statutory authority, supported by a Board.

The Corporation will manage current works, interim tenancies and development on site to complement the stadium, and is working closely with the Department of State Growth to ensure the site is cohesively managed, planned and delivered.



Site preparation, remediation and archaeology

The Australian Government has funded the significant remediation works already completed on the site, which are reflected in the cost plan prepared for the stadium.

Due to its earlier uses, the site's soil and groundwater has been polluted over time with fuels, heavy metals, and other contaminants. To date, approximately 67,000 tonnes of soil, almost a kilometre of historic oil and gas pipelines, redundant underground infrastructure including storage tanks and heavy vehicle mechanics pits, and 2.3 million litres of contaminated groundwater has been removed from the site.

The majority of the site has been remediated to a point where it can be safely capped/sealed to minimise remaining vapour risks, and be ready for development.

Two areas remain to be remediated, with works in the south-east corner to commence in coming months. Remediation in the south-west corner is currently being scoped and will be informed by the design of the stadium, including any car parking requirements for VIPs and accessible parking.

Remaining remediation works can and will be progressed in parallel with the stadium development, and will be funded by the Corporation from its existing funding. The locations are outside of the anticipated footprint of the stadium. Additional remediation that may be required to accommodate the stadium can also be progressed by the Corporation.

Other work

Work is currently under way to remove existing infrastructure that constrains development of the site. This includes removal of a high voltage electricity cable, archaeological investigations, and realignment of the Hobart Sewer main.

Other current and planned work for the precinct includes:

- Investigating public movement and access into the stadium from all sides.
- Early design concepts for an access road to the north to provide for bus drop-off areas.
- A cycleway and stairs to connect the site and raised cenotaph area to the north of the site.
- Archaeological digs to understand the site's history and prepare the relevant area for development. This is expected to only be required for the western side of the site only, due to the extent of reclaimed land elsewhere on the site.
- Demolition and clearing of the site to prepare for stadium construction.

Global stadium and precinct benchmarking

The project team has considered 12 potential functional elements in developing the stadium and precinct (refer Appendix 1):

- Sport
- All-weather venue
- Cultural and entertainment
- Retail
- Hospitality
- Education and research
- Business
- Recognition and reflection
- Sustainability
- Health
- Broadcast
- Hotel and conference.

One or more of these elements is present at a number of benchmark stadium, entertainment and place-making projects, which are outlined in a matrix in Appendix 1. These benchmarks have informed and will continue to inform development of the project. The new stadium and precinct at Macquarie Point presents an opportunity to integrate all of these elements in the one location.

Example: Te Kaha Canterbury Multi-Use Arena, Christchurch

Christchurch's new NZ\$650m (AU\$603m) stadium will have a seating capacity of 30,000 for sports events increasing to 36,000 in concert format. The arena design includes a roof so that the stadium can host events all year round and attract trade shows and expos in addition to sporting activities. Embedded in the heart of the city, a sustainable approach to transport has been adopted and the site will not include general car-parking. Other sustainable project design targets include solar panels and energy efficient stadium lighting. In addition to the multiple food and beverage outlets, the stadium will include children and student facilities, parent rooms and equitable access throughout the arena. The stadium is due for completion in 2025.

Precedents

Forsyth Barr Stadium, Dunedin, New Zealand

The Forsyth Barr Stadium is a multi-purpose stadium in Dunedin, New Zealand, opened in 2011. Affectionately known as 'The Glasshouse' the stadium's design includes an ETFE transparent membrane roof, which has been used on other projects such as the Eden Project and the British Library (in the UK) and the Beijing Cube (2008 Olympic Games swimming pool in China). Rainwater from the roof is recycled to irrigate the pitch.

The NZ\$224m (AU\$208m) stadium was completed in 2011 and has a seating capacity of 30,748 for sports events, increasing to 39,000 in concert format. The stadium is adjacent to several other sporting venues and close to several education campuses. The versatility of the stadium supports a range of sporting codes including rugby, football, basketball and netball (but not cricket) as well as concerts, trade shows and similar exhibition events.



Feasibility studies

Site selection

In 2021, the Department of State Growth commissioned preliminary feasibility work on 6 potential stadium sites. In February 2022, the government released the Hobart Stadium – Site Selection Process Report, prepared by MCS Management and Consulting in conjunction with PhilpLighton Architects (Appendix 2). The 6 potential sites for a contemporary boutique sporting and event stadium within easy reach of the Hobart CBD were:

- Crossroads – Soldiers Memorial Oval
- Upper Domain Road
- TCA Ground
- Lower Domain Road
- Regatta Point
- Macquarie Point.

The sites are shown in the figure right.

SITE LOCATION LONG LIST



The key considerations in the site selection assessment were to:

- Have an acceptable commuting/walking distance from the Central Business District, to maximise patron use of existing CBD parking, passenger transport, accommodation and hospitality.
- Maximise the promotional benefit of the venue to the state.
- Minimise impact on residential areas.

The multi-criterion analysis covered a range of factors across environmental, cultural, location, buildability and governance categories.

A summary of the comparative analysis is provided below.

Site	Positives	Challenges
Crossroads – Soldiers Memorial Oval	<ul style="list-style-type: none"> · Large flat open space · Currently used as sports fields · Reasonably distant from current residential areas 	<ul style="list-style-type: none"> · Distance from Hobart CBD · Lack of services in the immediate vicinity · Impact on Soldiers Memorial Walk
Upper Domain Road	<ul style="list-style-type: none"> · Open woodland · Abuts current sports fields 	<ul style="list-style-type: none"> · Distance from Hobart CBD with minimal existing road networks · Considerable cross fall requiring substantial cut and fill · Some impact on Soldiers Memorial Walk · Close to existing residential areas
TCA Ground	<ul style="list-style-type: none"> · Currently used as a sports field · Former major state cricket venue · Picturesque site 	<ul style="list-style-type: none"> · Distance from Hobart CBD with minimal existing road networks · Heritage constraints · Some impact on Soldiers Memorial Walk · Close to existing residential areas

Lower Domain Road	<ul style="list-style-type: none"> · Excellent views from the River and Domain Highway · Good infrastructure adjacent · Good distance from existing residential areas 	<ul style="list-style-type: none"> · Considerable cross fall requiring substantial cut and fill · Substantial impact on Soldiers' Memorial Walk · Close to existing residential
Regatta Point	<ul style="list-style-type: none"> · Flat site capable of accommodating the facility · Major infrastructure opportunities adjacent – including road and rail · Substantial distance from existing residential areas but close to CBD 	<ul style="list-style-type: none"> · Existing landholdings and operations · Impact on the future development earmarked for the site · Need to reclaim land – build over water
Macquarie Point	<ul style="list-style-type: none"> · Excellent views from the River and Domain Highway · Major infrastructure opportunities adjacent – including road, rail and river · Substantial distance from existing residential areas but close to CBD · Owned by government and significantly least expensive site to construct new stadium. 	<ul style="list-style-type: none"> · Existing landholdings and operations · Potential for impact on Cenotaph and associated events · Potential for impact on Regatta events

Table 4: Site analysis summary

Macquarie Point and Regatta Point were the 2 highest-ranked sites. Upon further consideration a new stadium at Regatta Point would cost around 40% more than one at Macquarie Point due to challenges at the site.

Engineering studies

Further technical studies were undertaken by design and engineering company Aurecon during 2022 to examine the 2 preferred sites in more detail. Those investigations focused on the below-ground issues particular to each individual site, and assumed the same above-ground stadium configuration for each. The studies identified the technical issues unique to each of the sites, to determine indicative costs associated with these issues for the purposes of comparison.

The Aurecon Pre-Feasibility Study for Regatta Point and Macquarie Point Sites report is provided as Appendix 3.

For the purposes of design, in the general admission zones a grandstand arrangement similar to Metricon Stadium was adopted, which accesses the lower tier from a raised concourse, and from which the upper tier is accessed via stairs.

The studies considered stadium alignment, topography, geotechnical, site arrangement, bulk earthworks, vehicle access, utilities (sewer, water, gas, electrical, stormwater), pitch structure, foundations, perimeter concourse, and public plaza/ meeting space.

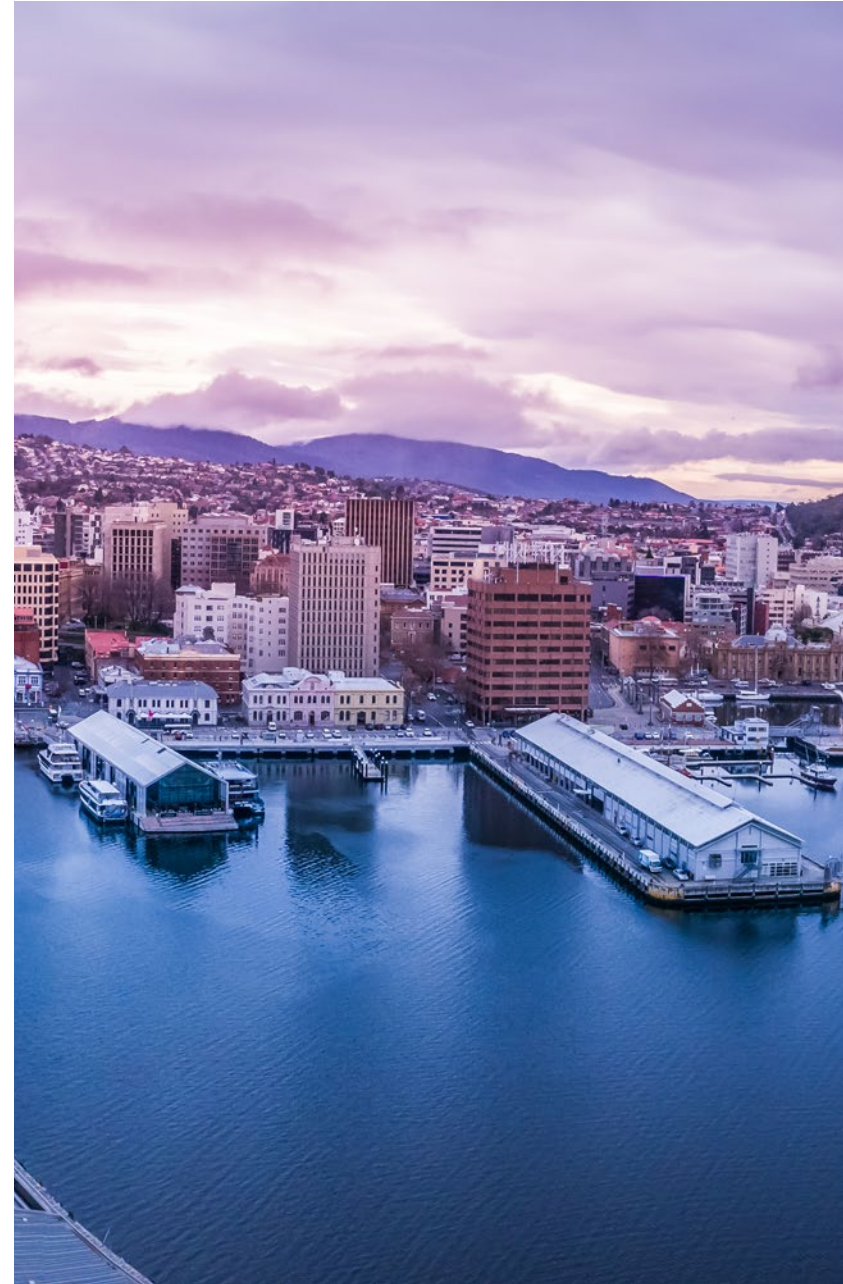




Findings

The engineering studies identified that the Macquarie Point site requires significantly lower construction costs to deliver the required scope, compared to the Regatta Point site. Regatta Point would involve not only building out over water but also excavating into the hillside to create a level site on which to build the stadium. The Macquarie Point site also has the advantage of being in Tasmanian Government ownership, through the Macquarie Point Development Corporation.

In September 2022, the Tasmanian Government confirmed Macquarie Point as the preferred site for the new stadium and precinct.



Project cost

Capital expenditure

International cost management consultants WT Partnership prepared the pre-feasibility estimate in September 2022, based on the most recent engineering studies. The assumed scope, as described in Table 3, includes 23,000 seats; fixed ETFE roof (north facing clear roof, with solid component at southern end); 1,500 premium product capacity and 31m façade covering the building. The estimate is based on an assumed design benchmark of Metricon Stadium for the seating bowl and facilities.

The capital cost estimate of \$741 million (2022 dollars, excluding GST) includes construction costs, contract and client contingency, consultant fees, development management fees, headwork contributions allowances and future cost escalation. It assumes a construction start in 2025 and completion in 2028.

Category	Cost (\$ million)
Site works	150
Stadium works	527
Escalation	64
Total	741
Less Mac Point Funded Costs	26
Net Total Funding Required	715

Table 5: Cost estimate summary

A subsequent review identified potential duplication of works totalling approximately \$26 million between the assumed scope and works already committed to by the Macquarie Point Development Corporation. These works include remediation of contamination, plaza works associated with the park, sewer realignment, and utilities and stormwater connections.

The net capital funding required as a result is \$715 million.

The cost estimate will be updated by the project team during future project and design development, including at concept definition, reference design, and transaction and delivery phases.

Minimising non-project specific costs

The Macquarie Point Stadium location minimises non-project-specific costs. The proposed stadium location is the centre point of the 3 main arterial roads for Hobart and represents the point of intersection of the northern, southern and eastern accesses.

Accordingly, its location avoids the need for additional investment in transport congestion management. All current planned activity – including the augmentation of the Tasman Bridge, the upgrade of the Tasman Highway from the Hobart Airport to the City, the development of the proposed Northern Suburbs Transit Corridor, the upgrade of the Southern Outlet and related investments, as well as planned augmentations of bus services, including a potential adoption of a bus-rapid-transit overlay service and the development of a Hobart Transit Centre – are consistent with the proposed stadium location.

Cost benefit analysis

Social and economic benefits

The evidence gathered to date demonstrates that Tasmania's new Arts, Entertainment and Sports Precinct would be much more than a football oval or a venue to play AFL matches. It would be a multi-purpose entertainment venue which would provide significant economic, health, social and community benefits not just for Hobart but for the whole state. The new facility would significantly boost Tasmania's capacity to host world-class cultural, entertainment, business and sporting events, including acting as a convention space.

The new precinct will deliver benefits through construction and operation as well as wider socio-economic benefits for generations to come.

Cost benefit analysis

MI Global Partners has analysed the costs and benefits of the stadium component of the project based on information available at this stage of project development (refer Appendix 7).

Overall, the stadium component of the new Arts, Entertainment and Sports Precinct was assessed as generating ~\$306 million in net benefits over its lifespan. The benefit cost ratio (BCR) was calculated in the range 0.35 to 0.73, with a central estimate of 0.50. The range of outcomes is based on sensitivity and scenario testing of project costs, benefits, and discount rate.

Social infrastructure such as stadiums rarely return a BCR above 1.0 and

usually the economic costs will outweigh the identifiable and quantifiable economic benefits. The table below puts this result in the context of 3 other stadia that have recently been funded and built in Australia.

Benchmark	BCR result
New Tier 2 Stadium (30,000 capacity)	0.76
Macquarie Point Stadium	0.35 to 0.73 (central estimate 0.50)
Allianz Stadium, Sydney (45,000 capacity)	0.50 (removed avoided capital cost for comparable benchmark)
Queensland Country Bank Stadium, Townsville (25,000 capacity)	0.21

Table 6: BCR comparison with funded stadia

Methodology

The cost benefit analysis was consistent with government guidelines. A 'do minimum' case was used to represent a future without the new stadium and precinct, and the analysis compared net costs and benefits against the 'project case' of the new stadium and precinct at Macquarie Point. The key generator of demand was the 28 net new events within the assumed calendar of 44 events per year.

Cost assumptions

The analysis used the WT Partnership capital cost estimate of \$741 million, excluding escalation (as per guidelines) to arrive at an economic cost of \$676.5 million. Life cycle capital costs were estimated based on a recent benchmark at \$49.5 million per annum.

Operational costs are highly dependent on the choice of commercial model. For the purposes of this analysis, recent benchmarks were used to estimate direct costs (turf maintenance and replacement, facilities maintenance, and utilities), indirect costs (employee costs and support services), event day costs, and food and beverage costs. This was projected at \$8.4 million per year. An additional \$5.5 million event acquisition costs per year were assumed to attract and acquire new content for the stadium.

Quantified benefits

The benefits included in the analysis are shown in the table below.

Benefit	Summary
Tourism benefit	The benefit to the Tasmanian economy through additional expenditure by non-Tasmanian attendees, including government surplus (payroll tax), producer surplus (benefits to Tasmanian businesses), and labour surplus (benefits to Tasmanian workers). Calculation is based on projected yield (expenditure) by non-Tasmanian attendees.
Incremental revenues	Venue hire fees, a proportion of ticket revenue, food and beverage revenue, naming rights and other sponsorship.
Consumer benefit	The benefit to local consumers over and above the total economic cost of consuming a good or service.
Community benefit	Option value, social value, and passive value. Recent benchmarks used.
Terminal value	The value of the benefit stream after the evaluation period until the end of life of the asset.

Table 7: Modelled economic benefits

Quantified benefits

The benefits included in the analysis are shown in the table below.

Socio-economic benefit	Finding
Address disadvantage	Generating high-value jobs <ul style="list-style-type: none"> · Tasmania has some of the highest systemic disadvantage in Australia. · Just 4 industries contribute 53% of the workforce, leaving the Tasmanian labour market vulnerable to shocks. · The precinct will create new jobs while further diversifying and enriching the Tasmanian labour market.
Physical health	Sports spectatorship and self-rated health <ul style="list-style-type: none"> · Those who attend sporting events are 33% more likely to indicate a higher level of self-rated health.
Mental health	Psychological benefits for sports spectators <ul style="list-style-type: none"> · Sport spectators are found to have activated the following 4 out of 5 domains of wellbeing: <ul style="list-style-type: none"> › Positive emotions › Relationships › Meaning › Accomplishment.
Liveability	More attractive property market <ul style="list-style-type: none"> · Stadia can increase the value of housing in the surrounding areas by 3-4%.
Community pride	Regional iconography <ul style="list-style-type: none"> · Large-scale public infrastructure can be a landmark and symbol of pride for the local community. · Local professional sports have the capacity to induce a stronger connection with a spectator's local environment and community.

Table 8: Socio-economic benefits

Summary

For the totality of the evaluation period, the overall economic cost of Macquarie Point Stadium is \$1.0 billion, which includes a construction cost component of \$676.5m as well as operational and event acquisition costs, discounted back to \$618.1 million in present day values. Capital (construction and lifecycle) costs account for 85% of the total present day economic costs, with operating and event acquisition costs accounting for the remaining 15%.

Over the 20-year post construction evaluation period, the overall economic benefit of Macquarie Point Stadium is also \$1.0 billion, discounted back to \$311.9 million in present day values. The stadium will generate \$115.0 million each in both tourism and financial benefits (37% each), \$33.3 million in consumer use and non-use benefits (11%) for the local Tasmanian community and \$49.0 million in terminal value.

Based on an annual life cycle and operational and acquisition costs of \$16m, and the estimated incremental revenue of \$16.24m calculated in the MI cost-benefit analysis, Macquarie Point Stadium could operate at break-even or generate a small profit annually based on 44 events and other assumptions around venue hire, ticketing, food and beverage, naming rights, pouring, supply and signage rights taken into account in the analysis.

Costs	Nominal value (\$m)	Present value (\$m)
Construction costs	\$676.5	\$510.2
Life cycle capital costs	\$49.5	\$9.9
Operational costs	\$167.7	\$59.2
Event acquisition costs	\$110.0	\$38.8
Total costs	\$1,003.7	\$618.1
Benefits		
Tourism benefit	\$325.5	\$114.9
Financial benefit	\$324.9	\$114.7
Consumer benefit	\$62.1	\$21.9
Community benefits	\$32.3	\$11.4
Terminal value	\$284.7	\$49.0
Total benefits	\$1,029.4	\$311.9
Net benefits	\$25.7	-\$306.3
Benefit: Cost Ratio (BCR)		0.50

Table 9: Cost benefit analysis summary (\$AUD million)

Additional non-quantified benefits

In addition to the benefits that have been quantified, and those identified by PwC and summarised above, the new stadium will deliver the following social benefits.

Customer experience

The Tasmania Arts Entertainment and Sports Precinct is anticipated to deliver benefits to stadium attendees by enhancing the stadium amenity and creating a more compelling, comfortable, and exciting live sports and entertainment experience.

The brand of Hobart and Tasmania

A new stadium, coupled with a new national sporting team and major international events, will enhance the Tasmanian brand to both locals and visitors and will play a major part in the continued transformation of the city and state.

Catalysing the wider precinct

The stadium is one component of the Tasmanian Arts, Entertainment and Sports Precinct. Investment in the new stadium will provide an incentive for investment in the development of a wider precinct and surrounding parts of Hobart. This investment will further uplift the urban amenity, delivering further benefits to the state and its residents.

Spreading the benefits

The stadium will also drive financial outcomes to a much wider range of stakeholders including venue suppliers, hirers and sponsors via more content, higher attendances, improved broadcast coverage and increases in patron expenditure.

Physical and mental health

More broadly, more sport and cultural content, greater attendance and viewership have the potential to encourage spectators to participate in sport and cultural activity themselves.

Sport participation has significant social and community benefits including improving physical and mental health outcomes and increasing work productivity.

Timeline

On confirmation of funding, the project definition and procurement phase will commence. Subject to resolution of project scope and design, this phase is expected to take approximately 2 years, followed by 3–4 years of final design and construction. The stadium is proposed to be operational in late 2028, based on a commencement date in late 2022. A summary timeline including key milestones is shown below.

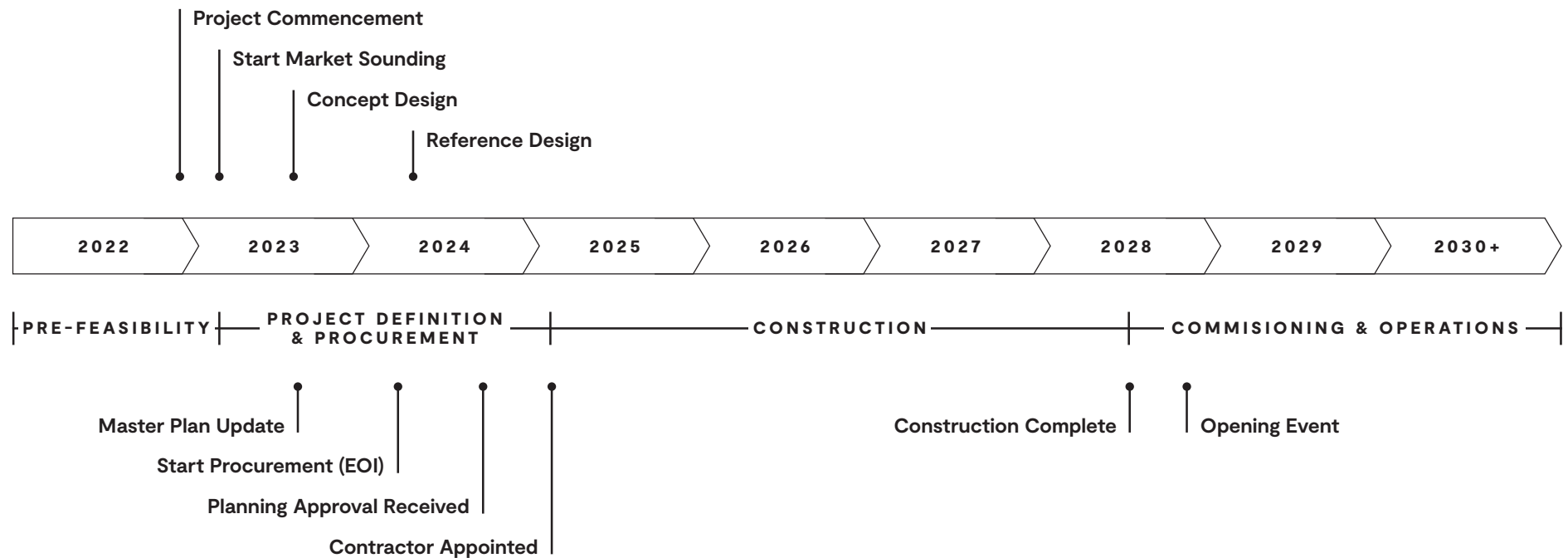


Figure 4: Summary project timeline and indicative milestones

Key next steps

The Tasmanian Government will establish a dedicated project team within the Department of State Growth for the development and delivery of Tasmania's new Arts, Entertainment and Sports Precinct.

Immediate priorities for late 2022 and 2023, following confirmation of funding and awarding of the AFL licence, include:

- Engaging project team members and service providers
- Establishing project governance structure
- Starting project definition phase and detailed feasibility assessments including concept design and product brief
- Continuing stakeholder engagement communications
- Commencing initial market sounding on delivery model
- Completing project definition report
- Preparing initial delivery strategy
- Determining planning approval pathway.



Delivery and operating model, including market sounding

The project team has prepared a plan to start the processes required for the state to engage with the market for the planning, design, construction and operation of the stadium and precinct.

A key early task is a market engagement program, to review available delivery and operating models for the project and specifically for the construction and potential operation and maintenance of the stadium within the wider precinct.

Through a process of market sounding, the team will engage with relevant delivery contractors, public private partnership (PPP) sponsors, operators and event promoters to seek knowledge that will inform the shaping of the delivery strategy and operating model for the project, focusing on delivery of the stadium. By being informed by the context of current and expected industry dynamics and market conditions, the aim is to achieve value for money by ensuring that the project can:

- Be procured from a competitive market.
- Be delivered cost effectively, within the timeframe required and consistent with capital, operating and maintenance budgets set by the Tasmanian Government.
- Comply with relevant Tasmanian Government and Australian Government guidelines and requirements.

Subject to the findings of the market engagement process and further project development, it is expected that an expressions of interest process for the project would commence in early 2024, with tenders called by mid-2024, and construction (and potentially operating) contracts awarded by the end of 2024.

Funding

As described above, the net capital funding required for the stadium is \$715 million, based on the latest pre-feasibility estimate of \$741 million, less \$26 million of existing Tasmanian Government commitments to works at Macquarie Point that were included in the capital cost estimate.

The Tasmanian Government has announced a commitment of \$375 million (in addition to existing funding for works at Macquarie Point and the value of the land).

The AFL will contribute \$15 million to construction costs.

A further \$85 million is proposed to be funded through borrowings against land sale or lease for commercial uses.

The remaining capital funding request to the Australian Government is \$240 million. This represents one-third of the total cost. No ongoing funding or subsidy is sought.

Cash flow – capital funding

A draft notional cash flow profile, subject to further project development, is provided below.

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	TOTALS
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Tasmanian Government	15	30	60	125	125	20	375
Commonwealth request				50	175	15	240
AFL contribution					15		15
Borrowings						85	85
Totals	15	30	60	175	315	120	715

Table 10: Draft cash flow (\$ million)

Operational funding

The Tasmanian Government will fund operational costs of the stadium and precinct (through Stadiums Tasmania).

Planning and environment

The project team will prepare and manage the planning approvals for the project including the environmental assessment. The team will also shape the project to minimise environmental impacts and wherever possible deliver improvements, for example through net zero or climate positive outcomes from design, construction and operations.

Planning process

The stadium site is currently fully owned by the state through the Macquarie Point Development Corporation. The existing planning controls are the Sullivans Cove Planning Scheme and the Master Plan as a Specific Area Plan.

The project team will consider and advise the government on the most suitable planning approval pathway based on the following options:

- Development application through the Hobart City Council, under the planning scheme including scheme amendments
- Declaration as a Major Project under s.60 of the Land Use Planning and Approvals Act (1993)
- Declaration as a Project of State Significance
- Specific legislation approval.

The project timeline allows for the selection of approval pathway, the preparation of the environmental assessment, consideration of the application and any amendments to relevant planning controls, consultation and public exhibition as required, and approval prior to award of the construction contract.

Heritage and contamination risks

Heritage, contamination and other risks have already been addressed as part of the Macquarie Point Master Plan and preparatory work. The majority of the site is reclaimed land, and research and assessment have been carried out on other parts that have also been subject to substantial disturbance over the last 200 years. The site is adjacent to sites listed on the Tasmanian Heritage Register – the Royal Engineers Building and Hunter Street Precinct, which is listed for subsurface remains.

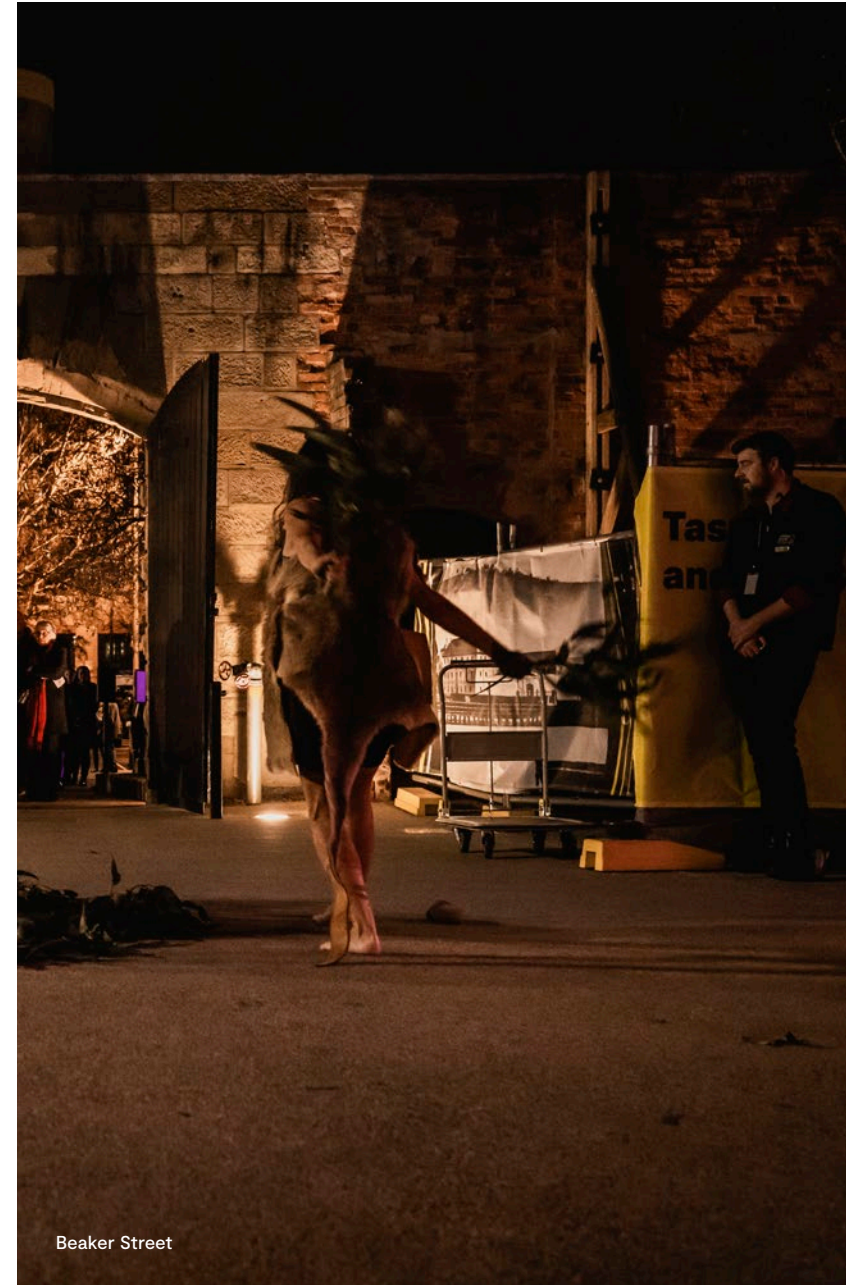
The Macquarie Point site is considered important culturally and the potential of providing a space for reconciliation has been well articulated. The footprint of the original shoreline offers the opportunity to provide a public forecourt or park that can provide for this.

Archaeology

In 2021, excavations identified both significant Aboriginal and European archaeology at the western end of the site. The scale of these works enabled a detailed and refined assessment of the subsurface archaeological sensitivity of the place to be graphically presented. It identified a further area of sensitivity at the western end of Macquarie Point that covers approximately 4,200m².

Permits under the *Aboriginal Heritage Act 1975* and *Sullivans Cove Planning Scheme 1997* have been received to carry out further excavation works, which will cover a total of 733m², or 17.4% of the area of sensitivity. Works will commence in early 2023, and be completed within approximately 12 weeks, after which the 2 excavation areas will be available for permanent development.

In the event that additional archaeological permits and further excavations may be required appropriate regulatory processes will be followed.



Beaker Street

Stakeholder engagement

Proactive stakeholder engagement has been a feature of the project since inception. The project team will continue to identify, plan for, and manage engagement with stakeholders to positively shape the project and support achievement of project objectives.

The stakeholder engagement objectives are:

- To identify and understand the perspectives of all individuals and groups with an interest in, or the ability to impact on, project success.
- To proactively plan for and manage engagement with stakeholders so that, depending on level of interest and influence, they are given the opportunity to shape project development, within the context of overall project objectives.
- To establish and maintain positive working relationships with key stakeholders.
- To capture the 'story' of project development and construction as an important public record.

Key stakeholders

The stakeholder engagement plan identifies the following key groups of stakeholders:

- Tasmanian and Australian members of parliament
- Mayors and local government councillors

- Government officials (executives and professional staff) – all levels of government and various departments
- The AFL and other national sporting associations (football, cricket, rugby, rugby league, basketball)
- State sporting associations
- Community associations (such as the RSL)
- Aboriginal groups
- Adjoining owners and occupants (TasWater, TasPorts, etc)
- Local residents and businesses
- Media – national, state and local
- Members of the community including sports fans and other potential visitors
- Business groups and associations in sport, tourism, hospitality, arts, leisure, entertainment and events.

The stakeholder engagement analysis and plan has most recently been updated for the September 2022 announcement of Macquarie Point as the preferred stadium location. During the definition and procurement phase, stakeholder engagement will include adjoining landowners such as TasWater and TasPorts. The update to the Macquarie Point Master Plan will be a key activity for stakeholder engagement, including specifically with the RSL and Australian Antarctic Division.

Stakeholder support

Many stakeholders have made supportive statements regarding the benefits the Arts, Entertainment and Sports Precinct will bring:

Additional supportive comments are provided under *Testimonials* p74–78.

“Right across Australia, we’ve seen these types of stadium infrastructure investments transform cities by igniting a whole new wave of economic activity that creates jobs, and stimulates investment.”

LUKE MARTIN,
TOURISM INDUSTRY COUNCIL
OF TASMANIA CHIEF EXECUTIVE

“If you could build an international sporting hub that future-proofs Tasmania’s sporting capabilities for generations, why would you pass that opportunity up? Building a new stadium will have a positive effect.”

RICHIE HASSETT,
CFMEU TASMANIAN SECRETARY

“The benefits of this investment will be far reaching, driving more hotels, retail, office and recreational spaces. It gives Tasmania the opportunity to become a world-class destination for investment, migration and also liveability.”

REBECCA ELLSTON,
PROPERTY COUNCIL OF
TASMANIA EXECUTIVE DIRECTOR

“Tasmania’s construction and tourism sector has a cycle of boom and bust, and the certainty a world class Arts, Entertainment and Sports facility will bring to not only Hobart but the entire Tasmanian economy, is exciting.”

ROB MALLET,
TASMANIAN SMALL BUSINESS
COUNCIL EXECUTIVE OFFICER

“Townsville’s new 25,000 seat CBD stadium was a game-changer for that (much smaller) city and has led to an inner-city boom. It’s also created a domino effect in reinvigorating the once-deteriorating Townsville city heart, with multi-million dollar upgrades to existing hotels, new restaurants and accommodation and walkway upgrades within walking distance to the new stadium. Imagine what could be done in Hobart, a state capital, with a round, roofed stadium – so much more. Hobart and Tasmania needs to think big and back itself on these state building projects.”

CRAIG WARHUST,
EDITOR, MERCURY NEWSPAPER

“Tasmania must invest in a multipurpose stadium in Hobart and it would be a boon for the capital and the state. It is about respecting your fans enough to give them the best show in sport, in facilities that are world class.”

DAVID KOCH,
PRESIDENT, PORT ADELAIDE
FOOTBALL CLUB

“The benefits will flow to hospitality businesses all across the state, not just Hobart.”

STEVE OLD,
TASMANIAN HOSPITALITY
ASSOCIATION CHIEF
EXECUTIVE



Ongoing engagement and dialogue

Since the Tasmanian Government announced the preferred stadium location and its funding commitment, there has been a depth of public interest and a broad range of feedback and commentary.

Any significant public investment is rightly expected to draw interest, commentary and generate its fair share of debate. The recent experience from other Australian states where this sort of transformational investment has been made, such as the Adelaide Oval redevelopment and Optus Stadium in Perth, shows that when these projects are delivered, the benefits they provide become apparent.

The project team is aware of the many diverse stakeholders who have an interest in the project, and is committed to continuing to engage with them to maximise the benefits of the Arts, Entertainment and Sports Precinct for all Tasmanians.



Risk management

The project team recognises that effective risk management is critical to manage uncertainty, improve understanding and decision-making, and maximise opportunity, thereby increasing the probability of successful project delivery.

The project team is developing and implementing a risk and opportunity management framework to identify and manage the impact of uncertainty on achievement of project objectives.

This includes:

- Developing a risk management plan
- Maintaining and regularly updating the project risk register
- Conducting monthly and quarterly risk reviews
- Undertaking quantitative risk analysis (QRA) to inform regular reviews of the project cost estimate and budget.

The initial risk review has identified risks, causes, treatments/ mitigations and risk owners for risks in the following categories:

- Project development
- Operations
- Project delivery/ construction
- Governance
- Health and safety
- Environment.

Regular risk reviews will be undertaken throughout project development, procurement and delivery, and be embedded into the management framework for the project.

Project governance and management

At the start of the project definition phase, a project team will be established for the Arts, Entertainment and Sports Precinct, led by a dedicated Project Director with relevant suitable skills and experience of delivering major complex infrastructure projects.

Governance structure

The diagram below outlines the current draft initial governance structure for this project. Terms of reference for each group will be written early in the definition phase and endorsed at the initial meeting of each group. Each group will contain key membership to be fully representative of major stakeholders and financial contributors, so that the project has effective representation to ensure its success.

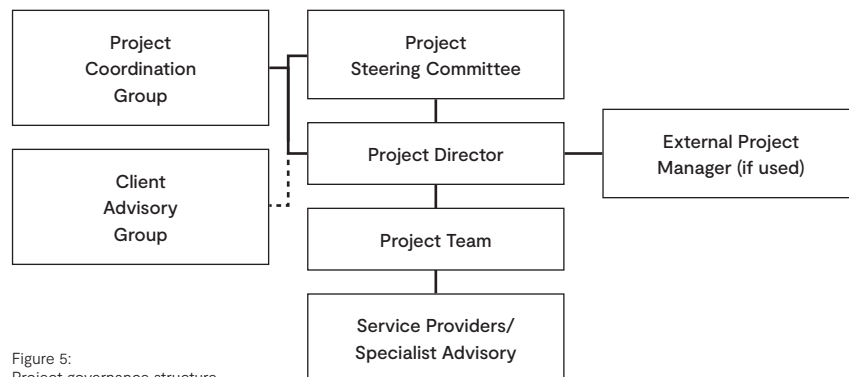


Figure 5:
Project governance structure

The Project Steering Committee will project strategic direction to the Project Director and oversee successful delivery of the project on behalf of the Tasmanian Government and Australian Government (subject to funding).

The Project Coordination Group will support and advise the Project Steering Committee and Project Director at a working level to approve deliverables, resolve issues, manage risk, and drive cooperation between key project stakeholders.

The Client Advisory Group will shape the project to ensure it meets the needs of hirers and attendees. It will do this by providing input to the development of the stadium and precinct product brief and provide ongoing advice to the project team during procurement and delivery. Its aim is for the new stadium and precinct to meet contemporary requirements for top level sports, entertainment and other events. Meeting the needs of stadium tenants and other hirers and providing a great customer experience will drive strong attendance and visitation, and maximise the benefits of the stadium and precinct to the community.

Management – definition and procurement phase

During the definition phase the initial team will be augmented to support ramp-up to transaction and other key deliverables.

- Design, approvals and cost planning (customer and product)
- Planning, environment and sustainability
- Commercial, delivery strategy and market sounding
- Stakeholder engagement.

Conclusion

The proposed new \$715 million Macquarie Point Stadium, to sit as part of a bustling 365 days per year Arts, Entertainment and Sports Precinct on the doorstep of the Hobart CBD, is necessary to secure a 19th AFL licence for a Tasmanian AFL and AFLW team and also presents far broader opportunities for our state including:

- Fuelling Tasmania's economy and driving a construction blitz to retain jobs, industry confidence and growth.
- Unlocking new, sustainable transport nodes.
- Providing an all-weather stadium that will be capable of hosting sporting, cultural, entertainment, business and international events year-round.
- Leveraging the significant investment by value-adding to Tasmania's Antarctic strategy.
- Providing a cultural drawcard for the Hobart CBD and supporting a new dawn for tourism, retail and hospitality.
- Supporting a club that all Tasmanians can get behind in taking our rightful place in the national AFL competition.

The proposed Arts, Entertainment and Sports Precinct will be an iconic urban renewal project, further reconnecting Hobart with its historic waterfront. The stadium and precinct will improve community and visitor access to the waterfront.

The Tasmanian Government has committed \$375 million to this once in a generational opportunity to deliver a transformational change that will unlock economic activity and invigorate a sense of community and pride, with flow-on benefits right across Tasmania.

All that remains is for the Australian Government to contribute \$240 million to make the project a reality – that is one-third of the total cost.

Testimonials

CFMEU Tasmanian Secretary, Richie Hassett, saying on 7 November 2022:

“If you could build an international sporting hub that future-proofs Tasmania’s sporting capabilities for generations, why would you pass that opportunity up?”

“Building a new stadium will have a positive effect.”

Former state and federal member for Braddon, Brett Whiteley, said in an opinion piece featured in The Advocate on 9 November 2022:

“It is time to focus on what is best for the state.

“Premier Jeremy Rockliff is exhibiting the leadership that is required for this state to rise above the parochialism that has held us back.

“Tasmania has much to offer, and we are offering it at every opportunity.

“We should celebrate the fact that finally the AFL appears set to allocate Tasmania an AFL licence. We will be on the national AFL map, just as we should be.

“Hobart Hurricanes and the JackJumpers have proven that we are worthy of being on that map and thousands of sports loving Northerners are regularly travelling to Hobart to soak up sport at the highest level.

“The granting of an AFL licence and the provision of a new stadium precinct will lead to more income via taxes such as the GST. These taxes are what provides the ability to spend money on essential services.

“Expenditure on essential services is at record levels and there is no evidence to support otherwise.”

Craig Warhust, Editor, Mercury Newspaper, 14 October 2022

“Townsville’s new 25,000 seat CBD stadium was a game-changer for that (much smaller) city and has led to an inner-city boom.

“It’s also created a domino effect in reinvigorating the once-deteriorating Townsville city heart, with multi-million dollar upgrades to existing hotels, new restaurants and accommodation and walkway upgrades within walking distance to the new stadium.

“Imagine what could be done in Hobart, a state capital with a round, roofed stadium – so much more.

“Hobart and Tasmania needs to think big and back itself on these state building projects.”

**Bob Gozzi, past Chief Commissioner,
Tasmanian Football League**

“It is extremely easy to politicise the proposed stadium development but in doing so, ignoring the huge benefits to our economy which in turn will help us to meet the ever-increasing demands to provide for health, housing, education, emergency services and whole lot of other community needs.

“To put this into perspective, the \$350m is a one-off contribution, it is not a recurrent cost. I would have thought what we need is developments and projects which will provide a recurrent return to our budget bottom line to help us better achieve financial sustainability over time. The stadium is one such project – it will be magnificent!”

Jim Wilkinson, former Tasmanian Football Commissioner

“I think the Hobart stadium looks a very promising stadium.

“When you look at what it’s going to do for the city for itself and the community itself, it’s only going to be a plus.”

Stephen Bourke, Owner, Telegraph Hotel

“The stadium is an opportunity not to be missed.

“Looking at the big picture, this is all about opportunity. Social opportunity, economic opportunity and architectural opportunity for Hobart.

“So I think everything encompasses a magnificent opportunity for success for both business and the city as a whole.”

Angelo Fraraccio, Co-owner, D’Angelo’s Restaurant

“A Tasmanian team playing out of a stadium at Macquarie Point would bring huge benefits to the city. I reckon it will have a big impact on the restaurant and hotels in this vicinity.

“I think it’s a great idea to help small businesses around the city.”

Russell Hanson, Stadium advocate

“The Macquarie Point precinct has 90 per cent of all the hotels in Hobart within 15 minutes walking distance. The economic activity in just the building of this stadium would create around 4,200 jobs and over \$300m over the 3 years.

“When its finished, 950 jobs and worth \$85m per annum ongoing. It would be a world-class venue and if the team is going to be successful, it has to have it.”

David Koch, President, Port Adelaide Football Club

“Tasmania must invest in a multipurpose stadium in Hobart and it would be a boon for the capital and the state.

“It is about respecting your fans enough to give them the best show in sport, in facilities that are world class.”

Brendon Gale, CEO, Richmond Football Club

“A multipurpose stadium can be seen as nothing but a benefit to the state of Tasmania.

“You only have to look at the benefits that Adelaide Oval – and its redevelopment – and Queensland’s Country Bank Stadium in Townsville have provided to those 2 states.

“It won’t just underpin the financial model of the club and the prospects of success but it will be a huge boost to the Tasmanian economy. It’s not just about sport, it’s about world class entertainment, culture, business events, conference and exhibition centres, so it brings huge economic benefits that benefit the whole of the state and I know that because I’ve seen it.

“I’ve spoken with people like John Olsen who was the premier of South Australia when they gave Adelaide Oval (redevelopment) the green light, maybe 10 years ago, which was a huge investment back then from the state and it’s been transformative. I know people from far north Queensland with the Townsville stadium so yes it’s an investment but it’s one in the state that I’m confident will provide benefits. Not just for the south of Hobart but the whole of the state. It’s a compelling case from where I sit.

“The impact would be seismic because nothing drives participation of a sport more than proximity to the elite game. It’s going to stimulate participation, it’s going to create aspiration and it’s going to create ambition and young boys and girls from all over the state can grow up and become local heroes and reside in their own state. I think it would be wonderful.”

Luke Martin, CEO, Tourism Industry Council of Tasmania

“The project was a “once in a generation investment for Tasmania.

“Right across Australia, we have seen these types of stadium infrastructure investments transform cities by igniting a whole new wave of economic activity that creates jobs and stimulates investment.

“It’s about Tasmania being on the map for sport, entertainment and conference events we have never had a shot at bringing to the state before.

“We should expect our national teams like the Matildas and the Wallabies to play in Tasmania, and not just as token one-offs, but regularly, in a world-class roofed stadium in the heart of our capital city.

“Many Tasmanians have fond memories of AC/DC at the TCA Ground, & Dire Straits at KGV back in the 80’s. Why shouldn’t we as a community expect to bring these types of acts to visit Tasmania every year?”

Steve Old, CEO, Tasmanian Hospitality Association

“The stadium would benefit hospitality businesses from Hobart all the way to Burnie.”

Rebecca Ellston, Executive Director, Property Council of Tasmania

“The proposed precinct would encourage investors to purchase other economic drivers like hotels, as well as retail, office, and recreational spaces.

“It gives Tasmania the opportunity to become a world-class destination for investment, migration, and also liveability.”

Dominic Baker, CEO, Cricket Tasmania

“Having a world-class stadium would give the state significant leverage with Cricket Australia to ensure more international games were played in the Apple Isle, particularly after appearing to outgrow Blundstone Arena.

“We believe the fans are reaching out for a better stadia experience and that could be provided by this new stadium.

“The circles I mix in, they are very positive about it. In national cricket circles, everybody is talking about it as a really great addition to the venues that could be played at around the country.

“I mix in sports circles, and you never get many people saying a new stadium is a bad thing. From that perspective it is really positive, and in the business community there is a really great discussion about what it could do to bring the city to life.”

Robbie Williams, International Performer

When asked about the prospect of performing at a new stadium in Tasmania, Williams said: “I would actually love to, even if they have a medium sized stadium. I’ve never been there and I’d like to go.”

David Boon, former Australian cricketer and Cricket Tasmania Chairman

“To have a state of the art facility that is multi-purpose can only be of benefit. I think it will be a great asset for not only Hobart but Tasmania.”

Gary Baker, former VFL player

“We can’t afford to make the same mistakes as Victoria.

“When I first started playing footy at Waverley Park it was a great stadium but because it was right out in the hills, it only lasted 20 or 30 years because people wanted the stadium in the city.

“They wanted to fly in and stay in the hotels and walk to the stadium and the restaurants and bars and all of that and that’s why they built Marvel Stadium... so that’s what it’s all about.”

Brendan Self, Managing Director, Vandemonian Touring

“It excites us to bring big acts to Tasmania.

“Billie Eilish or the Foo Fighters have been recently touring and they don’t come to Tasmania generally as there is not a facility to host an artist or band of that calibre. That’s the sort of calibre we would need to get those numbers.

“Any infrastructure or concepts that provide this, we should consider.

“It is about time Tasmanian music lovers invested in their own economy. I don’t think there is a music lover, that wouldn’t like to see AC/DC or the Foo Fighters come to Tasmania.

“We often miss out and have to travel and invest in other economies. Instead, we could be investing in our own economy and bring people to our beautiful state.”

John Xintavelonis, Entertainer and Promoter

“The stadium would not only host elite sporting events but would become a major arts and entertainment precinct, allowing the state to host major international acts often left to the rest of Australia.

“We’ve got to keep up with not only the rest of the country, but the rest of the world and we think we are as good as they are, so let’s at least give ourselves a chance to prove it.

“Not only will sport come to this precinct, but you’ll also get concerts and acts and big shows that tour in arenas that we normally have to jump on a plane and pay accommodation somewhere else to go see.

“The arts and entertainment industry have been crying out for this sort of thing.”

Robert Mallett, CEO, Tasmanian Small Business Council

“The stadium’s ability to draw new visitors to Tasmania would have huge benefits for the state’s economy.

“It is a smart move for the state. Gives the federal government and private equity the chance to have skin in the game.

“A stadium like this with a pre-planned agenda of events will give small business the opportunity to know there’ll be thousands of people flocking into the city and the state.

“Some people will come for major footy matches, others will come for concerts and they will do their 5 or 7 or 10 days here and the concerts will be a highlight of that along with the... beauty of our island.

“The Government is spending more on health than ever before.”

Jack Riewoldt, Tasmanian and Richmond Football Club player

“A roofed stadium in the CBD – can you imagine what that’s going to do for Tasmanian football? For the economy? For jobs in Tasmania? For all sorts of sports and music, arts, everything like that? This stadium is going to provide so many opportunities for the Tasmanian community to continue to shine on a national and world stage.”

Professor Tim Harcourt, Chief Economist, IPPG

“To have a true national competition you have to have Tasmania in it.

“On footy, on footy historical terms, but even economics, it’s never been a better time for Tassie to be in now, given the economy is in reasonably good shape.

“Why would people protest about the Tasmanian Government supporting their own team and supporting a stadium when then they have been giving taxpayer’s money to Hawthorn and North Melbourne.

“As well as investing \$750 million into the stadium precinct, the Tas Gov will leverage the Tasmanian AFL club to lift social and mental wellbeing across the state, investing in community footy and local sports and social capital.

“As well as Hobart stadium precinct, in the tradition of the Packers, the Wisconsin-based NFL franchise, the Tas Gov is also making additional investment into Dial Park in the North West and UTAS stadium in Launceston to ensure AFL games are spread around the state.”

Appendices

1. Macquarie Point Stadium – Tasmanian Arts, Entertainment and Sports Precinct – LIMINAL Studio Pty Ltd.
2. Hobart Stadium – Site Selection Process Report, prepared by MCS Management and Consulting in conjunction with PhilpLighton Architects.
3. Aurecon Pre-Feasibility Study for Regatta Point and Macquarie Point Sites.
4. Hobart Stadium Economic Impact of new Arts, Entertainment and Sports Precinct – PwC.
5. Macquarie Point: Estimating the economic contribution of commercial uses at the new arts, entertainment and sports precinct – PwC.
6. Hobart Stadium Capacity Optimisation Analysis – MI Global Partners.
7. Hobart Stadium Cost Benefit Analysis Report – MI Global Partners.



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