

Attention Parliamentary Standing Committee of Public Accounts

I would like to register my strong opposition to the proposed new AFL stadium at Macquarie Point. While I have a long list of concerns, only some of which I will articulate here, one of my major concerns regards the process, or lack thereof, by which the Tasmanian State government seemingly instantly came out and publicly supported the AFL's mandate that Hobart needs a new stadium for Tasmania to be eligible for an AFL team. The 'process' was not consistent with the expectations of a democratic society and is reminiscent of the 'captains calls' made at a whim by ex-PM Scott Morrison, which were void of objectivity, logic and transparency. The Australian public overwhelmingly rejected this form of bulldozing governance at the last federal election.

There is no need for a new AFL stadium in Hobart

I am bewildered by Premier Jeremy Rockliff's unwavering support for a new AFL stadium and his willingness to commit large sums of public funds to unnecessarily duplicate infrastructure at the behest of the AFL when a perfectly functional stadium already exists at Bellerive. I have visited Blundstone Arena at Bellerive many times over the last couple of years and have found it to be of a high standard and a very comfortable facility for spectators. Furthermore Blundstone Arena is only an eight minute drive from the site of the proposed new stadium at Macquarie Point! Despite recent assertions from the AFL and Premier Rockliff that Blundstone Arena isn't suitable for AFL games (something about there not being enough room behind the goal posts for the cheerleaders??), I note the stadium has hosted many AFL games, without complaint since 2010¹, and indeed only a little more than 12 months ago was seen as an asset to Tasmania's bid for an AFL team. Former Geelong president Colin Carter, who authored an independent report into the viability of a Tasmanian side, believes the bid should not be contingent on a new stadium. He stated ***"Tasmanian grounds are regarded as perfectly adequate for playing AFL football at the moment"***².

A new AFL stadium in Hobart is not a priority use of public funds.

Committing large sums of public funds to a new AFL stadium at the behest of the AFL is irresponsible, reckless, and reeks of self-serving grandiosity. Tasmania is currently experiencing a housing crisis, shortfalls in public funding for hospitals and education and is desperately lacking hard infrastructure necessary for Tasmanians to maintain their quality of life, particularly in light of the projected increase in population of 79,000 in the next 10 years, 15 years ahead of schedule!³

As acknowledged by the Tasmanian Department of State Growth *"Growth of the scale we've experienced over the past five years tends to come with growing pains and that's why we're updating Tasmania's Population Strategy to address the challenges and opportunities facing our State now and into the future."*⁴ While these words acknowledge the soft and hard infrastructure challenges the state faces in the coming years and decade they are contradicted by the short-sighted actions of the premier in prioritising public funding to a new and completely unnecessary stadium. If the Tasmanian Government is going to push forward with this reckless and unsustainable population growth they need to be far more forward thinking than duplicating AFL football stadiums.

The infrastructure challenges Tasmania faces are perhaps epitomised by Hobart's traffic. Hobart's roads are experiencing major congestion issues, where even just a single accident can cause the city to gridlock for hours. Despite its relatively small size Hobart has the unenviable ranking of 3rd in terms of traffic holds ups across all of Australia, with the government admitting Hobart's road network is already near capacity at peak hour⁵.

As an aside I note that the recent business case spruiking the case for the stadium did not include an options analysis. It is standard practice that any good business should include an options analysis, in this case comprehensively examining alternative uses of the public investment and alternative uses of the site.

Multi-purpose stadiums are not truly multi-purpose

The 'multi-purpose' tag now being used by the Government to describe the stadium is just a trojan horse for yet another AFL stadium in Tasmania, a sport for which only about 2.5% of Tasmania's population are registered. The problem with multi-purpose stadiums is that compromises have to be made in trying to meet multiple objectives, and in this case the design objectives of an AFL stadium will undoubtedly be prioritised over all other users.

For example, oval, supposed 'multi-purpose' stadiums with retractable seating make poor soccer and rugby stadiums (a common complaint from soccer supporters who go to Optus Stadium is that "I may as well have watched it on TV", and the colosseum design greatly detracts from the atmosphere of a soccer ground) and based on experience elsewhere the retractable seating tends not to be used due to the time to deploy and the damage it causes to the grass (there is also reduced capacity as corner bays become unviable – of course not factored into the business case). Anyhow, no doubt the retractable seating will be the first thing to be quietly abolished when the inevitable AFL stadium cost overruns occur, followed next by the retractable roofing.

It is inevitable that the new stadium will incur major cost overruns, undermining the usefulness of any benefit cost analysis.

The Premier's unwavering public support of the AFL's directive of a new stadium in Hobart before any credible analysis into the costs and benefits of the stadium was completed is of great concern. By public admission the initial cost estimate of \$750 million was a 'back of the envelope' estimate⁶. However, as is so often the case with large infrastructure projects the first reported cost becomes the public narrative, and hence it became politically expedient that the 'business case' and any future cost estimates were also \$750 million or slightly less. Even the act of allowing such a 'rubbery' cost estimate to be publicly reported is irresponsible and is poor governance.

I note the method to estimate the cost of the new stadium appears to be a simple 'capacity factored' method, the crudest of all cost estimation methods. Conveniently what isn't mentioned in the business case or press releases is that capacity factored methods of cost estimation have an expected accuracy range of double (ie. +100%) the original cost estimate⁷, and could be more.

Another relevant point is that infrastructure projects, such as large stadiums, that involve substantial geological excavation are particularly susceptible to cost overruns^{8,9}. Even more troubling, in a meta review of cost overruns in dam projects¹⁰ it was found that cost overruns of projects sited on unconsolidated and sedimentary material, such as the contaminated sedimentary setting of Macquarie Point, were substantially higher than cost overruns of infrastructure projects sited in igneous and metamorphic settings.

An often cited reason for cost overruns and favourable cost benefit analysis is optimism bias¹¹, and optimism bias is evident in the stadium's business case in spades. In fact cost overruns and overstated benefits in large infrastructure projects are so rampant that Bent Flyvbjerg an international expert in large infrastructure project evaluation issued a warning to legislators, administrators, investors and "*members of the public who value honest numbers*", that **reported cost**

estimates were often highly and systematically misleading, and that they should not trust cost estimates and benefit-cost analysis produced by project promoters¹².

While the academic literature has seen a greater focus on infrastructure cost overruns, there is an increasing number of studies highlighting overstated benefit streams. Even at just a casual glance the overestimate of benefits in the stadiums business case appears rampant (e.g. attendance and number of non-AFL game estimates are not grounded in reality). In fact some of the statements and figures appear to be deliberately misleading e.g. the business case touts 6,720 jobs could be generated from commercial activity from developments around the stadium - surely nobody could believe such a ridiculous figure. Even should the said jobs really eventuate the majority of those jobs would arise from the relocation of businesses and commercial activity from elsewhere in the city and not be genuinely new jobs. The only real new jobs created would be during the limited time the stadium was in operation (and in doing so one would need to make sure the loss of jobs from Bellerive suburb and Blundstone Arena were factored into the calculation). A new stadium at Macquarie Point is a very suboptimal form of 'urban renewal'.

In summary cost overruns have plagued stadium projects for decades and across every continent (e.g. Russia¹³, UK¹⁴, Canada¹⁴, Japan¹⁵ New Zealand¹⁶). It is completely naive to think that a stadium built in Tasmania, with post-COVID supply chain and labour challenges would be any different. Premier Rockliff needs to be upfront with the Tasmanian public about how the inevitable cost overruns will be funded.

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