

Parliamentary Standing Committee of Public Accounts

Questions on Notice Inquiry into the Tasmanian Government's Proposed Hobart Stadium Feasibility Planning Process

1. **With respect to a new AFL licence being provided to the proposed Tasmanian team, provide evidence of when a new centrally located green-field stadium first became a condition or requirement from the AFL to secure a licence.**

On 10 June 2022, when visiting the Premier for a face to face- meeting in Hobart, AFL CEO Gillon McLachlan stated during a doorstep interview that Tasmania's bid for an AFL team was contingent on a new Stadium from the AFL's perspective.

Through further work the Tasmanian Government recognised that a Tasmanian team competing in the AFL and AFLW competitions needs a suitable modern stadium in which to play.

The Government commenced pre-feasibility work for a new multi-purpose stadium near the Hobart central business district

This work was funded in the 2022--23 State Budget, with the Government including \$1.25 million in the 2022--23 financial year to progress the feasibility planning for the infrastructure necessary, including a new sporting and event stadium in Hobart.

Throughout negotiations, the AFL has been steadfast and unequivocal on its requirement for a new stadium to maximise the benefits of having an AFL/AFLW team and to ensure the financial sustainability of the Club.

2. **With respect to the original decision to build a stadium at Regatta Point, what consultation was made with any key stakeholders or the broader community prior to Premier Gutwein's statement in his State of the State Address 2022?**

The official announcement was made in the State of the State Speech delivered in the Parliament on Tuesday 1 March 2022.

On the day prior to the announcement, Monday 28 February 2022, the then Premier (Hon. Peter Gutwein) met with the President of the RSL, Mr Barry Quinn and the then President of the Regatta Association, Mr David Skegg, in person, in the Executive Building to discuss the official announcement to be made the next day.

3. **A timeline of all the important events and decision points leading up to the proposed Macquarie Point site being the preferred option as part of the Tasmanian Government's proposed Hobart Stadium Feasibility Planning Process.**

On 22 October 2021, the Tasmanian Government, through the Department of State Growth, commissioned preliminary feasibility work on six potential stadium sites within close proximity of the CBD.

These were:

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

In February 2022, the Government released the Hobart Stadium Site Selection Process Report, prepared by MCS Management and Consulting, in conjunction with Philp Lighton Architects. The Business Case and appendices were provided as part of the Tasmanian Government submission.

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; and
- minimise impact on residential areas.

Macquarie Point and Regatta Point were the two highest-ranked sites and Regatta Point was announced as the preferred site in the State of the State address on 1 March 2022.

The Department of State Growth and the AFL formed a working group in June 2022 to further consider the sites.

This work included further technical studies being undertaken by design and engineering company Aurecon during June – to August 2022 to examine the two preferred sites in more detail.

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

Collectively, these studies highlighted that Macquarie Point offers the most cost effective and efficient option to base the new Tasmanian Arts, Entertainment and Sports Precinct. Macquarie Point also allowed for a broader urban renewal project to be undertaken.

On 18 September 2022, the Tasmanian Government confirmed Macquarie Point as the preferred site for the new stadium and precinct.

- 4. A copy of the diagrams being prepared to show sightlines/elevations at street level and from other key vantage points (e.g. Cenotaph, port control tower, and any other**

significant buildings) from all sides of the proposed Macquarie Stadium based on current information provided to the Committee.

Detailed design work has not yet been commissioned. Indicative view lines have however been drafted to assist with early consultation with key stakeholders such as the RSL and veteran's community. These are attached.

This work is broadly based on the engineering design analysis report prepared by Aurecon dated August 2022. The final specific location on the site and exact shape and height, including RL commencing height, will not be determined until the official design process is undertaken.

5. The sum of money that has been already paid to Milieu Property to date with respect to the Escarpment situated at Macquarie Point.

A cost reimbursement agreement was put in place for the Macquarie Point Development Corporation to meet agreed costs incurred as part of preparing a Development Application.

It is important that appropriate costs are paid as part of these types of developments to manage sovereign risk, and to balance the extra rigour and contractual agreements that the government requires, whilst continuing to attract potential developers to deliver projects.

Costs of \$1.257 million (excluding GST) have been paid. These costs are relevant to work undertaken to prepare a Development Application for the Escarpment development. As a result of paying for these costs, the Corporation has access to, and use of all materials prepared or created by or on behalf of Milieu Property in conjunction with or in connection to the Development Application.

This includes all documented maps, plans, drawings, reports and materials. The site technical investigation data will be used as required to inform future development on the site.

6. How does the Government intend to have the project assessed:

- Project of State Significance (POSS) assessment process under the *State Policies and Projects Act 1993*?
- Major Projects assessment process under the *Land Use Planning and Approvals Act 1993*?
- Planning Scheme amendment process under the *Land Use Planning and Approvals Act 1993*?
- Hobart's Draft Local Provisions Schedule process under the *Land Use Planning and Approvals Act 1993*?

To-date, no decision has been made on the planning assessment pathway and related matters.

The Government is currently seeking advice on the most suitable planning approval pathway from the options available.

7. Will legislative change be required to facilitate the assessment of the project if the Major Projects process is used, in particular:

- Sullivans Cove Planning Scheme 1997, and
- Macquarie Point Development Corporation Act 2012?

Please refer to answer at Question 6.

8. What has been done to assess the suitability of the Macquarie Point site to include a major stadium:

- Land/soil suitability
- Traffic management, including access to RHH
- Noise and light impacts
- Planning and procurement
- Functionality and connectivity with the city and those travelling to the stadium
- The proposed Truth and Reconciliation Art Park
- The proposed global gateway Antarctic and Science Precinct
- Impact on the Cenotaph
- Impact on the 1914 Goods Shed
- Climate related issues, and
- Any associated costs or tenders advertised or awarded related to the above?

As outlined previously, engineering company Aurecon undertook technical site studies during June through to August 2022. Those investigations focused on the below-ground issues particular to the site and technical issues associated with the site.

The Aurecon Pre-Feasibility Study report is provided as [Appendix 3 to the Business Case](#).

Further feasibility work will be undertaken as the project progresses.

9. Who specifically was consulted when making the decision that Macquarie Point was the site of choice?

The official announcement was made on Sunday 18 September 2022 following consideration by Cabinet.

A stakeholder communication plan was put in place in conjunction with the Department of State Growth to advise key stakeholders about the announcement.

10. Did the business case take into account the foregone MONA masterplan and the development investment already being negotiated?

This was not considered relevant to the latest business case.

11. What does the business case assume about the land on which the stadium will be built, and

- If so, how is the expenditure to date factored in?

Assumptions about the land on which the stadium will be built were based on investigations undertaken as part of the preliminary feasibility work which included technical studies

undertaken by design and engineering company Aurecon during June – to August 2022 to examine the two preferred sites (Macquarie Point and Regatta Point) in more detail. Those investigations focused on the below-ground issues particular to each site, assuming the same above-ground stadium configuration for each. The studies identified the technical issues unique to each site, and determined 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 to the Business Case.

The [Strategic Business Case](#) (attached) provides a breakdown of projected project costs for capital expenditure (including Mac Point expenditure to date of \$26 million), on page 56 on that document.

- **If a block of land has alternative uses, then an opportunity cost of that block should be included in any cost/benefit analysis, has this been done:**
 - **If so, please provide details of the this, and**
 - **If not, why has this not been done and factored into the cost/benefit analysis?**

The Cost-benefit analysis (CBA) was prepared in line with industry standards to ensure comparability with other CBA's prepared for sporting stadia around the country.

The CBA uses a real social discount rate to reflect the long-term opportunity cost of capital and resources. The real discount rate used in this CBA is 7% which is in line with Australian Guidelines.

12. What are the additional infrastructure costings for supporting infrastructure that will be required to support the development including:

- **The Northern transit corridor**
- **Northern access**
- **Upgrade to Evans Street (noting that to move 10,000 people off the site during dark Mofo requires the closure of Evans Street and the Tasman Highway/Davey Street), and**
- **Were the above factored into the Business Case?**

The Government is committed to the Northern transit corridor. The Government is working with the Australian Government and Local Government, through the Hobart City Deal, to deliver a transport solution on the Northern Suburbs Transit Corridor to service, and be supported by, urban renewal. This commitment pre-dates the proposed Hobart Stadium and therefore no additional infrastructure costings are required to support the development.

A Northern access route has been considered as an option by the Department as part of TasPorts proposal to upgrade the Wharf and the proposed Australian Antarctic Division relocation to Macquarie Point. The Northern access route option pre-dates the proposed Hobart Stadium and therefore no additional infrastructure costings are required to support the development.

In conclusion, the above supporting infrastructure were included in the Business Case as complementary developments, however, these were not specifically factored into the economic analysis. The Arts, Entertainment and Sporting Precinct will however act as an enabler for better public transport, including increased ferry services.

13. Minister Barnett signed off on the August 2022 Statement of Ministerial Expectations which again directed the Board and the Corporation to continue to pursue and deliver the Masterplan which is Clause 32 of the Sullivans Cove Planning Scheme. When was the Minister aware of the Department progressing matters related to a possible stadium at Macquarie Point in what appears to be contrary to the Government's policy direction as per the Ministerial Statement of Understanding?

The Minister was aware the Department of State Growth was progressing analysis on two preferred sites once the Hobart Stadium Site Selection Process Report was finalised in February 2022.

The decision to select Macquarie Point as the preferred site for the proposed new Tasmania's Arts, Entertainment and Sporting Precinct was made by Cabinet on 5 September 2022.

Identifying Macquarie Point as the preferred site did not change the expectations of the Corporation.

14. Pricewater Coopers (PwC) were commissioned to undertake an economic analysis of the 'new arts, entertainment and sports precinct' dated August 2022:

- **What date was this Report Commissioned, that is, the first communication by email, phone or meeting?**
 - **Please provide a copy of this communication.**

The initial phone meeting between Events Tas and PwC occurred on 31 May 2022.

A range of discussions around the scope of the report occurred in June 2022 and the contract between the Crown and PwC was signed on 14 July 2022.

- **Who commissioned this work, that is, unit within the agency?**

The Department of State Growth through Events Tasmania

- **How long did the actual report take – from commissioning to final report?**

The first draft was provided 4 August 2022. Note the only change between the draft and final report was the inclusion of jobs by industry.

The Final report was provided 12 August 2022 ([this version is available on State Growth website](#)).

- **Please provide a copy of the research brief that PwC worked to.**

Copy of the contract/brief attached.

- Did the brief request various scenarios, that is, worst, medium and best cases, and
 - If so, did this report present details of these scenarios, and
 - If so, please provide copies of all drafts of the report
 - If not, why not?

See contract attached.

- **When did the Secretary advise the Minister and/or Premier and/or their advisors of this work being undertaken by PWC?**

The Department of State Growth established a working group with the AFL in June 2022. This joint team progressed a range of work, including the decision to commission the PWC report. Given regularly verbal communications with the Premier's office and the department on the work of this group, an exact date is unable to be established.

- **What was the actual cost of the PWC work?**

\$60,000.

15. With regard to the MI Global partners – Hobart Stadium Capacity Optimisation Analysis:

- What date was this Analysis Commissioned, that is, the first communication by email, phone or meeting?
 - Please provide a copy of this communication.

15 June 2022 (see Attachment 3).

- **Who commissioned this work, that is, unit within the agency?**

Major Stadiums (Department of State Growth).

- **How long did the actual report take – from commissioning to final report?**

Approximately 3 months from initial discussions through to completion of the Final Report (dated 29 August 2022).

- **Please provide a copy of the research brief that MI Global Partners worked to.**

Copy attached.

- Did the brief request various scenarios, that is, worst, medium and best cases, and
 - If so, did this report present details of these scenarios, and
 - If so, please provide copies of all drafts of the report
 - If not, why not?

Copy attached. The Final Report is included on the [Major Stadiums website](#).

- **When did the Secretary advise the Minister and/or Premier and/or their advisors of this work being undertaken by MI Global Partners?**

The Tasmanian Government was formally advised through a Cabinet Brief of the work being undertaken by MI Global Partners on 20 June 2022.

- What was the actual cost of the MI Global Partners work?

\$17 500 (ex-GST)

- Regarding the decision to build a stadium at Macquarie Point:
 - Who made the decision that the MONA reset would be set aside to facilitate this?
 - What date was this decision made?
 - Please provide copies of the confirmation of this decision.

The decision to select Macquarie Point as the preferred site for the proposed new Tasmania's Arts, Entertainment and Sporting Precinct was made by Cabinet on Monday 5 September 2022.

The official announcement was made on Sunday 18 September 2022 following consideration by Cabinet.

- What date was the Chairperson of the Macquarie Point Development Corporation (MPDC) informed of the change, and
 - How was this communicated?
 - Please provide a copy of this communication.

The Minister phoned the Chair of the Macquarie Point Development Corporation to discuss the decision immediately prior to the announcement.

16. With regard to the role of Major Stadiums business unit within Department of State Growth (DSG) and the newly established statutory Stadiums Tasmania:

- What is the structure of the Unit:
 - Where does it sit?
 - Who does it answer to?
 - What are the corporate governance arrangements in place (i.e. is the CEO and the team answerable to the Board, the Minister (which Minister) and/or the head of the public service)?
 - How does it relate to the wider DSG agency?
 - How does it work with Stadiums Tasmania?
 - How are conflicts related to expected outcomes or advice managed?
- Will Major Stadiums Unit or Stadiums Tasmania manage the planning and construction process for the Macquarie Point stadium?
 - Please explain the process thoroughly.

Major Stadiums is a business unit within the Transport and Infrastructure Division of the Department of State Growth reporting to the Deputy Secretary Transport and Infrastructure, who in turn reports to the Secretary of State Growth. It therefore operates in much the same way as other infrastructure delivery units in the department as well as infrastructure delivery units in other departments. Normal departmental policies and procedures, including those relating to potential conflicts, apply.

Now that project funding has been secured, the Government's approach to delivery of the precinct will be formalised.

17. Why has not the position of MPDC Chief Executive Officer being advertised, given it was stated back on 20 June 2022 that this would occur?

An acting CEO has been in place at Macquarie Point Development Corporation since July 2022. Following the announcement of Macquarie Point as the preferred site for the Arts, Entertainment and Sports precinct, a decision to permanently recruit a CEO was deferred until further certainty could be provided. Recruitment of the CEO role is expected to commence shortly.

18. What is the future of the MDPC?

The Macquarie Point Development Corporation (Corporation) remains responsible for the site. This includes completing the final sections of remediation, managing interim uses, the installation of infrastructure to support development such as water, power, sewer, stormwater, and access to and through the site, and progressing developments that will complement a precinct.

The Corporation is continuing to work on remediation and site readiness for development.

19. With respect to DSG Tender No.3390 'Specialist Stadium Advice' awarded 5 August 2021:

- **What was the advice provided for under that contract with respect to the development of stadiums in Tasmania by Waypoint Pty Ltd?**

Waypoint Pty Ltd were engaged to provide advice to support the development of Stadiums Tasmania and advise on unique requirements and considerations that should be given to redeveloping existing stadiums within the State.

20. With respect to DSG Tender No.3391 'Specialist Stadium Advice for University of Tasmania Stadium' awarded 23 September 2021:

- **What was the advice provided for under that contract with respect to the redevelopment of UTAS Stadiums by Resource Co-ordination Partnership?**

Resource Co-ordination Partnership (RCP) provided pre-feasibility planning and project management advice for the UTAS Stadium redevelopment. They provided advice in relation to programming, planning and approvals, risk management and also commenced a draft foundation of the Functional Technical Brief for the project.

21. With respect to DSG Tender No.3620 'Specialist Strategic and Infrastructure Advice' awarded 15 March 2023:

- **What services are contemplated under that contract for commercial, infrastructure related and strategic advice to DSG around negotiations with the AFL?**

Collab Projects is a specialist consulting business focusing on the successful planning and development of sporting and cultural facilities. Collab Projects has specific experience

working for the AFL and on sporting facility development that justifies engagement for this project.

Collab Projects has provided specialist advice, guidance and input into the work undertaken by the department on the development of an AFL team for Tasmania.