



# Parliamentary Standing Committee of Public Accounts

## Media Advisory

Tuesday, 27 May 2025

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### Inquiry into Tasmanian Government's Process into the Proposed Hobart Arts, Entertainment and Sports Precinct

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#### Parliamentary Committee Finds Significant Risks in AFL Stadium Project at Macquarie Point

In examining the Tasmanian Government's agreement with the AFL and the proposed stadium at Macquarie Point, the Parliamentary Standing Committee of Public Accounts (Committee) has identified significant financial, planning and governance risks associated with the process undertaken by the Government with regard to the proposed Hobart Arts, Entertainment and Sports Precinct.

The Committee acknowledges that Tasmania's entry into the AFL is a historic milestone. However, it has found that the delivery of the 23,000-seat, fixed roof stadium at Macquarie Point, required as a non-negotiable condition imposed by the AFL, involves a series of unresolved issues which pose serious financial risks to the State.

#### Key Findings

- **Site Selection is Fixed:** The AFL has made clear that **Macquarie Point is the only acceptable site** for the stadium.
- **Procurement Changes:** On 5 May 2025, the Government announced it would adopt a **'design and construct' procurement model**, abandoning the previously proposed **public-private partnership** approach.
- **Cost and Funding Gaps:** While the project's official cost estimate is **\$715 million**, evidence submitted to the Committee places it closer to **\$775 million**, excluding key infrastructure and fit-outs. The 'Draft Integrated Assessment Report' from the Tasmanian Planning Commission has since estimated the cost at **\$1,196.7 million**.
- The Government has **capped its capital contribution at \$375 million**, with the balance expected from the Commonwealth, AFL and **now State Government borrowings after no private partners could be secured**.
- **Unbudgeted Works:** The project costs provided by Macquarie Point Development Corporation (MPDC) **excluded** essential elements such as CCTV, Wi-Fi, broadcast systems, the relocation of the heritage Goods Shed, and the **\$15 million sewerage trunk main relocation**, which are necessary to proceed with construction.
- **Construction Risk:** Current ABS data shows labour shortages in key construction trades - including concrete and electrical - are driving up prices. Most large infrastructure projects in Australia **exceed budget and timelines**.



- **Tasmanian Planning Commission Draft Integrated Assessment Report:** The Panel found estimated capital costs to the proposed stadium project at **\$422 million more than that submitted by MPDC** including additional borrowing costs.
- **Financial Exposure:** The AFL Agreement contains penalty/make-good clauses - if the stadium is not at least **50% complete by October 2027**, the State is required to pay the AFL **\$4.5 million**: further penalties apply if the venue is not operational by the 2029 season.
- **Governance and Oversight:** The AFL Agreement was **not tabled before Cabinet** and **no comprehensive Treasury advice** was provided on the full financial implications prior to signing. Legal advice was obtained but **not shared with Cabinet**.
- **Planning Process Concerns:** The Government has expressed dissatisfaction with the current **Project of State Significance (PoSS)** assessment process and intends to **introduce enabling legislation** to bypass it, raising concerns about transparency and accountability.
- **Stakeholder and Cultural Opposition:** The Returned Services League, Tasmanian Symphony Orchestra, Aboriginal leaders, and Federal Group have raised strong objections due to cultural, acoustic and operational impacts.

### Committee Recommendations

The Committee made three (3) recommendations:

1. Any high cost and/or high-risk Government initiatives should follow rigorous governance processes, including the formal consideration by Cabinet, and consideration of supporting documents, prior to any final decision being made.
2. Should any private partnership and/or investment arrangement, be entered into to support the stadium operations, any arrangement be appropriately transparent, follow all relevant Treasury Procurement Instructions and have timely parliamentary oversight.
3. The recent decision to not proceed with a private partnership and/or investment arrangement, to support the stadium build, the Government must ensure all borrowings required to construct and deliver the facility are reported transparently and visibly in the State budget papers, follow all relevant Treasury Procurement Instructions and have regular parliamentary oversight.

The Committee reaffirms Tasmania's commitment to establishing an AFL team but stresses that public trust and long-term viability depend on transparent governance, realistic costing, and accountable delivery. If constructed, the Macquarie Point stadium project is a high-stakes, high-cost commitment that requires full transparency by Government, including all costs and benefits, and it must be managed accordingly.

The Members of the Committee are:

#### Legislative Council

Hon Ruth Forrest MLC (Chair)  
Hon Luke Edmunds MLC  
Hon Bec Thomas MLC

#### House of Assembly

Mr Simon Behrakis MP  
Mr Mark Shelton MP  
Mr Josh Willie MP (Deputy Chair)

Information regarding the inquiry is posted on the [Committee webpage](#).

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**Further information: Hon Ruth Forrest MLC (Chair) – 0419 879 524**