

**Email submission:**

to [pac@parliament.tas.gov.au](mailto:pac@parliament.tas.gov.au)

**Sent:** Wednesday 23 November 2023

**Subject:** Written submission to The Parliamentary Standing Committee of Public Accounts (PAC) Inquiry into the Tasmanian Government's process into the proposed Arts, Entertainment and Sports Precinct in Hobart.

**Sent by:** Kate Shield

**Email address:** [REDACTED]

To whom it may concern,

As a resident of Hobart with a keen appreciation of the city's architectural, environmental and cultural heritage, I am writing to express my objections to the government's proposal for an Arts, Entertainment and Sports Precinct with a stadium at its centre at Macquarie Point.

*In adhering to the terms of reference for this inquiry:*

**Item 1: Matters related to the Club Funding and Development Agreement (Agreement) signed between the Crown in the Right of Tasmania and the Australian Football League.**

I have serious concerns regarding the funding agreement (or from what we, as taxpayers, have been allowed to know of it) which appears to place all the burden of risk associated with this development upon the Tasmanian people.

This 'contract' signed between the Premier and the AFL CEO (then Gil McLachlan) without apparent reference to Cabinet or Treasury, smacks of blackmail or at least coercion, with the Premier signing in the faint hope that he could secure an AFL team for the state. The government should not allow one man (no matter how important he used to be) dictate to the entire community in his insistence on an expensive third stadium at the Macquarie Point location. Mr McLachlan has no qualifications or expertise in planning or social design. There have been several previous proposals for this precinct with far more integrity than this monument to the hubris of one man.

**Item 2: The suitability of Macquarie Point as the site for a proposed the Arts, Entertainment and Sports Precinct.**

The bone of contention is the stadium at the centre of the MPDC's proposed 'Draft Precinct Plan'. The "Arts and Entertainment" elements are merely tucked in around the edges.

The MPDC's plans show that Macquarie Point is completely unsuitable for a structure of these dimensions:

- a. the site is too small to comfortably accommodate a stadium footprint this size;
- b. the foundations/substrate will not take the weight, without extensive & costly geo-engineering;
- c. the scale of the surrounding heritage buildings will be dwarfed by a stadium that has to be at least 40mtrs high to accommodate seating for 23,000. Roofing superstructure adds **extra** height to that;
- d. the surrounding structures – commercial, residential, hotels, parks etc - are compromised by the location of the stadium shoehorned into the centre of the site, with unpleasantly narrow access ways between it and the IXL precinct and the northern shoreline;
- e. The Aboriginal Culturally Informed Zone looks like an afterthought, squeezed in between the stadium and the busiest road network in Hobart, and is, quite frankly, an insult;
- f. Transport-wise, this is simply the wrong location. Concentrating activity in such a confined area, on a headland, creates massive transport and communication infrastructure problems, isolated as it is from the CBD by the existing convoluted road network at that point in the city's traffic grid;
- g. With regard to the existing buildings on Evans Street (Sullivan's Cove Apartments, The IXL Atrium and Henry Jones Art Hotel), a structure to their north at twice their height will block their solar access, casting them into deep shade for much of the year. Showing them in 'artist's impressions' as fronting a tree-lined boulevard is pure fantasy;
- h. All views to and from the Cenotaph and the historic waterfront will be obliterated by a stadium in this location – another insult.

### Item 3. The financial risks associated with the Agreement.

Despite the project's development being shrouded in secrecy, enough information has seeped through the wall of spin to suggest that most of the financial risks associated with the agreement will be borne by the people of Tasmania.....in perpetuity.

Such risks include:

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| • Staged completion penalty (50% by Oct '27)                              | \$4,500,000 |
| • Annual completion penalties – per year that AFL requirements aren't met | \$4,500,000 |

(This Annual penalty of \$4.5m will apply **only IF** the AFL continues to grant extensions, as it has absolute discretion to tear up the contract altogether.)

- Penalties for unfilled seats: the government has agreed to reimburse the AFL if the minimum seat requirement for each game is not filled. If the minimum seat requirement is exceeded, the AFL banks the profits.

Ongoing but not specified are the repayments on the State's 'mortgage' even if the stadium could be built for the contracted amount.

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| • Annual interest payments on \$400m @4.5% for 20 yrs. - \$20,000,000/annum | \$400,000,000 |
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The government's own commissioned analysis showed that the stadium's 'best case scenario' operating costs would be a loss of \$132,300,000 over 10 years. Worst case scenario would see it lose \$480,200,000 (*data taken from MRI Global Partners' report for State Growth before redaction*).

The Agreement ignores prevailing economic conditions, with infrastructure projects currently under review as unaffordable, and a growing list of cost blowouts on major infrastructure projects. No consideration has been taken for potential labour shortages in the construction industry, or alternatively as to where imported interstate or international workers are going to live. The agreement makes a naïve assumption that the costs will remain at 2022 levels, when there has already been massive inflation in the construction industry. When all these forces come into play, it is highly unlikely that the stated costs and timeframes can be met.

Access works will cost further hundreds of millions of Tasmanian taxpayers' dollars. Yet, as with so much of this project, no mention is made of these costs.

Furthermore no account has been taken of the additional site preparation costs. Since this was first proposed, several civil engineers have questioned the prudence of pouring hundreds of tonnes of concrete into a structure on reclaimed land. Most informed opinion suggests pylons driven deeply into the river bed at 2mtr spacing would be needed to stabilise the site. Hundreds more tonnes of concrete which would entail an additional\* cost of at least \$500million. (\*alternative, more light-weight structures would not incur these costs)

So, even if the stadium itself can be built on time and on budget, we are still looking at the following expenses:

Stadium Total (\$360m Tas; \$240m Feds; \$85m private; \$15m AFL)	715,000,000
Spent so far (2022)	26,000,000
High performance training & administration facility near Hobart by 2025	60,000,000
AFL Licence (\$12m/yr. x 12 yrs.)	144,000,000
Site stabilisation (best estimate)	500,000,000
Annual interest payments on \$400m @4.5% for 20 yrs. - \$20,000,000/annum	400,000,000
<b>TOTAL (in 2022 \$\$)</b>	<b>1,845,000,000</b>

### Item 4: Matters related to the financing and delivery of the entire proposed Arts, Entertainment and Sports Precinct.

Tasmania can't afford the opportunity costs of spending \$700,000,000+ on an underused facility when there are more important budgetary needs in health, housing, aged care, education and child care. It's simply too expensive.

All the advantages offered by the increase in employment opportunities and ongoing commerce could equally be achieved with many other developments on this site. The loan repayments themselves (\$20mil/yr) could employ an additional 50 teachers + 50 nurses + 20 police officers + 50 aged care workers+ 30 child care workers state-wide each and every year.

The failure of the State Government to quarantine the Commonwealth's grant of \$240,000,000 will potentially mean a further \$240,000,000 less for housing, health & education in the future.

The stadium itself fails to comply with the Sullivans Cove Planning Scheme in that it breaches many of the principles of the scheme designed to protect the cultural heritage of Hobart's waterfront precinct.

The Draft Precinct Plan clearly shows the stadium site's isolation from the CBD by the Brooker and the Tasman Highways. To overcome the separation, massive un-costed works will be required. For instance, the plan shows a bridge from Collins Street spanning the two highways to reach Mac Point. Such a bridge will minimally cost \$30M (based on the price for the Remembrance Bridge, which was shorter and had the advantage of topography, yet cost \$11M in 2018).

The Draft Precinct Plan sees the Cenotaph shadowed by the stadium to its south, bordered by a new major roadway for log trucks to its east and north-east, and a block of apartments obstructing its views to its north over the Regatta Grounds. This will diminish the Cenotaph and its surrounds. The themes of the area – aboriginal history and occupation, commemoration of those who died in wars, and the views to the mountain and Derwent River – could be united in a cohesive vision, but this draft precinct plan is not it. It barely pays lip service to our Indigenous and Veteran communities.

There is no mention of the amenity the community stands to lose. There is nothing 'inclusive' about a stadium. Putting an inward focussed structure on a piece of prime waterfront land is simply wrong-headed.

The traffic concept plan shows a reconstruction of the access from the Tasman highway to service Macquarie wharf. This proposed road into the port will separate the Domain from the foreshore. Yet, this is one of the last locations where the Domain—and thus the public, especially those who fish there or launch boats and kayaks - has direct access to the water without having to cross a major/heavy vehicle road. No mention is made of the disruption to traffic on the Tasman highway, Tasmania's busiest arterial road, as this construction proceeds over several years. The impact on the city's productivity has not even been considered, let alone costed.

#### **Item 5: The future of Blundstone Arena and UTAS Stadium**

Tasmania simply doesn't **need** a costly third stadium. It's imposition as a starting premise for all debate is a perfidious use of political doublespeak. It has us arguing about where THE stadium should be, rather than whether we need ANOTHER stadium in the first place. This does not constitute honest community consultation.

Blundstone Arena and UTAS stadium are both suitable facilities to host AFL games. In fact, the UTAS stadium is broadly regarded as one of the finest playing surfaces in the country. It has the added advantage of its geographically central location in the state. Both arenas could be improved at a fraction of the cost of building a new one. Renovation and re-use are far more sustainable solutions in terms of environmental impacts and resource use.

Locating a third stadium in the south is divisive, only adding to the north/south divide with the substitution costs of money spent in the south taken from the northern economy. While a few large corporate enterprises may benefit, it will be at the expense of hundreds of smaller businesses and the broader Tasmanian community.

#### **6. Other matters incidental: misdirection, trickery and poor planning.**

Tourism is often touted as a beneficiary of this development. I don't believe most tourists are even remotely interested in coming to Tassie to see an AFL stadium or a precinct that is trying to compete with something they can see in any big city in Australia. Tasmania is lucky to have retained its heritage (sometimes by the skin of its teeth and only because of staunch opposition by far-sighted locals in the past – today they'd be slandered as 'blockers', or 'naysayers' or promulgators of 'NIMBYism' - but we owe them a great debt of gratitude for their fight to retain such a unique architectural and planning heritage. This heritage, along with MONA, and beautiful natural Tasmanian environmental icons, are what attracts most tourists.

So far, I haven't seen any renderings of the stadium promoted by the government that could be described as honest. All have been deliberately deceitful, seeking to diminish its true impact on its surroundings. Arguments that we can't know what it will look like because it hasn't been designed yet are nullified by the fact that the Premier signed a contract for an amount of money based on a construction of a specific size (footprint, height, seating capacity). I have seen several more truthful renderings taken from various vantage points around the harbour, and the stadium is a behemoth, completely overpowering its surroundings from every angle.

The MPDC's Artist's Impression also deliberately diminishes the height of the stadium at the end of its proposed pedestrian mall, and completely omits its impact further down Evans Street in the perspective drawing.

It makes the surrounding precinct look like a sad nod to some retro 1950s design aesthetic, an era that is irrelevant to the history of this site, as well as completely antithetical to the HCC planning scheme, which makes a point of stepping back facades above street level to avoid the wind tunnel effect of high hard corners.

The Gasworks chimney (33mtrs high) is a useful indicator of both the southern perimeter of the stadium and its height, albeit 7 metres lower than the minimum height for a stadium of this capacity. It doesn't require a lot of imagination to take a line of sight from it to predict the impact of the stadium on any location in the vicinity. The sort of trickery used here demeans those from whom the government is seeking a considered response.

Finally, it is a failure of planning to put housing in such an isolated location. The Regatta Point apartment complex is a ghetto in the making, with all the attendant social issues, cut off from services and in the wrong place. Stadia, by their very nature are forbidding structures. Apart from the few days they are in use, their surrounds are windswept wastelands. Who would want to walk through such an area late at night just to get to their place of residence? Housing should be IN the Mac Point precinct, complemented by public spaces and services. The *Mac Point Vision* from the *Our Place Group* is a far more sensitive, harmonious, socially amenable, and financially practical solution for this important historic precinct. It proposes housing, a relocated State Library, an Aboriginal cultural centre and reconciliation park that shows honest respect for Indigenous peoples, as well as a practical transport interchange and other recreation spaces that are far more likely to be used on a daily basis, and certainly more often than 44 times a year. Such a vibrant, useful precinct, however, is only possible WITHOUT the imposition of a costly black hole at its centre.

Surely at a time when the rest of the country is tightening its belt and reducing discretionary spending, the Tasmanian Government needs to do likewise. Government funds need to be directed towards addressing existing shortcomings in housing, health, education, aged and child care - not a stadium that has no grounding in community consultation and no connection with community need.

Thank you for your time,

Kate Shield

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