

# PUBLIC

**THE JOINT STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY, 31 MARCH 2023**

**TASMANIAN GOVERNMENT'S PROPOSED HOBART STADIUM FEASIBILITY PLANNING PROCESS**

---

**Mr GEORGE THEO** CHIEF EXECUTIVE OFFICER, and **Mr TONY WILLMOTT**, GENERAL MANAGER, PROJECT DELIVERY, TASWATER, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Ms Forrest) - Welcome. We have two members online - Meg Webb, MLC and Lara Alexander, MP. Other members are myself - Ruth Forrest, MLC; Josh Willie, MLC, Shane Broad, MP and Dean Young, MP.

Some information about the process of the committee hearing - it is a public hearing and is being streamed live. You are afforded parliamentary privilege while you are giving evidence to the committee. If there was anything you felt was of a confidential nature and wished to provide that information in camera to the committee, you can make that request and the committee will deliberate on that; otherwise it is all public. It will be transcribed and the transcript will be published on the website when it is available. Do you have any questions before we make a start?

We invited you in because there are significant assets on Macquarie Point site that TasWater has an interest in. If there is to be a stadium built there, which is the core of our terms of reference, there would also need to be significant infrastructure that TasWater would have a responsibility for.

I welcome you to make opening comments and we will have questions about some of those matters.

**Mr THEO** - Thank you. We are here to answer any questions that the committee has. I understand the terms of reference are in reference to the process that was undertaken to determine Macquarie Point as the spot for the stadium. We are here to answer any questions in relation to the terms of reference that the committee has.

**CHAIR** - I might lead off and others can come in too if they like.

Did the Minister, anyone in the Government or the Macquarie Point Development Corporation engage or consult with you about the capacity of TasWater and the needs to facilitate a stadium, as it's supposed to have a grass field. Obviously, you can't grow grass without water and sun. There's a whole heap of infrastructure as well as the plan, which I understand, regardless of what happens on the site will involve the relocation of the current sewerage treatment works there.

If you could talk about any consultation and the process that you are undergoing with regard to that.

## PUBLIC

**Mr THEO** - Certainly, from my perspective, having been with TasWater for last 12 months, I've had no consultation on that - other than, having joined TasWater, I was made aware that we would be relocating Macquarie Point Sewage Treatment Plant for a whole host of environmental benefits and growth opportunities for the future.

In terms of the history, prior to me being here, I will defer to Tony. He may have some of the history with respect to any consultation that may have happened prior to my time at TasWater with respect to any discussions around Macquarie Point.

**Mr WILLMOTT** - There hasn't been any consultation in relation to the stadium. We didn't know about the stadium until it was announced. Certainly, since that time we've been actively working with the Macquarie Point Development Corporation to ensure that the site is able to be used for a multi-use area. That may include a stadium, but it doesn't affect the project that we are delivering.

**Mr WILLIE** - How does it look with the timelines? You've got a decommission and waste water treatment plant. They're saying the stadium will be operational by 2029. It is my understanding that the decommissioning will happen in the second half of 2025.

Is construction for the stadium allowed to occur before that, or concurrently? Has there been any discussion around how that is going to work?

**Mr WILLMOTT** - Our construction activities will be off the site. It will be around the site, bordering on the TasPorts land. Currently that is where the designs are being completed for. Works have to be completed for the stadium. I guess they would be able to commence that before.

As you said it will be in the second half of 2025, around September, that we will be ceasing operations at the site. Then it will be in that year after that we will be decommissioning completely, or knocking the old plant down.

**Mr WILLIE** - Can the stadium construction start while that's taking place?

**Mr WILLMOTT** - I guess it could, yes.

**Mr THEO** - I think it's not a matter for us as to when the construction of the stadium starts. Our commitment is to turn off the sewage treatment plant by the end of 2025. That's what we'll be working on. For any involvement with whomever is going to build, whatever, we'll be more than happy to sit down and work with those organisations to ensure that the objectives are achieved. But from TasWater's perspective, our main focus is to turn off the treatment plant by the end of 2025.

**Mr WILLIE** - I understand that. Just with the terms of reference, I'm trying to establish whether the timeframes are realistic - whether your work can take place concurrently with the work of the Government if it does go ahead with the stadium. It sounds like there are still conversations to be had around that.

**Mr THEO** - We are currently in detail design. That work will conclude in the next few months.

## PUBLIC

**CHAIR** - Detail design for the decommissioning?

**Mr THEO** - For the upgrade of the Selfs Point Sewage Treatment Plant to be able to take the sewage from Macquarie Point. In addition, design works will be happening with respect to the pump station and the underground storage tank and the pipe that needs to take the sewage from Macquarie Point to Selfs Point is underway.

The expectation is that towards the end of the calendar year, we'll be out in the market seeking tendering for construction purposes, so we can get on and complete the project by the end of 2025.

**Mr WILLIE** - On a previous committee, we've had a bit of discussion about the costs of that decommissioning. You're going to go to tender. Is there an update on those costs?

**CHAIR** - Are you talking about the building of Selfs Point or the decommissioning of Macquarie Point?

**Mr WILLIE** - Both.

**CHAIR** - You might need to separate them.

**Mr WILLMOTT** - Yes, is that stepping away from the terms of reference of the group. We're talking about the stadium, aren't we, not the treatment plant?

**Mr WILLIE** -Decommissioning of the treatment plant and making sure that goes to plan and to the timelines committed to is key to the stadium.

**Mr TONY WILLMOTT** - I don't think the cost is, though. The costs associated with that decommissioning, or with the construction and the decommissioning, then I'm not sure much to do with this inquiry.

**Dr BROAD** - Are there any TasWater assets that will have to be relocated through the construction of the stadium? I understand there are some pipelines that are going straight through the middle. Are they going to have be relocated, or can the stadium be built on top, or is there any sort of discussion going on in terms of that aspect of TasWater's operation?

**Mr WILLMOTT** - There is a project being led by Macquarie Point Development Corporation to relocate the inlet to the plant. That is currently in their remit. We are assisting with some design, but that is their project.

**Dr BROAD** - My understanding is that the pipeline goes straight through the site. Would that pipeline have to be detoured around the perimeter of the stadium?

**Mr WILLMOTT** - Yes.

**Dr BROAD** - It cannot be built underneath - cannot remain the stadium?

**Mr WILLMOTT** - The plan is to relocate.

**CHAIR** - That is not your project. That is not a TasWater project?

## PUBLIC

**Mr WILLMOTT** - It is not a TasWater project. It is just like any other development. If a developer has our assets crossing property, they often relocate them, and then we provide the connections back into our network.

**Dr BROAD** - And then you take ownership after the asset has been relocated?

**Mr WILLMOTT** - Correct, it is a donated asset, just like any development.

**Dr BROAD** - Is it just a sewerage pipeline, or is there water through there also? Is it multiple?

**Mr WILLMOTT** - Not from our site. We have a water connection, but to my knowledge, it does not go through the middle of that site at all. The sewer inlet certainly does.

**Dr BROAD** - Is that a big pipe?

**Mr WILLMOTT** - Off the top of my head, the pipe is around a metre. Yes, they are quite large. There is the plant there.

**Dr BROAD** - Would that be a significant project to detour around the perimeter of the stadium?

**Mr WILLMOTT** - Like any project in that quantum, yes. It would be a significant project. But again, Macquarie Point Development Corporation have handled that to date and will continue to complete that project.

**Dr BROAD** - Is there a ballpark figure for how much a project like that would cost?

**Mr WILLMOTT** - I do not know the exact budget they had on that project.

**Dr BROAD** - Have you got any idea of a per-metre rate or something like that?

**Mr WILLMOTT** - Not off the top of my head.

**Dr BROAD** - Would it be in the millions?

**Mr TONY WILLMOTT** - Yes, it would be in the millions.

**Dr BROAD** - I am just after a sort of ballpark figure. I am not going to hold you to it.

**Mr WILLMOTT** - Whether it is \$5 million, I'm not sure.

**Dr BROAD** - Somewhere in multiple millions, I suppose, is what we are talking to relocate.

**Mr WILLMOTT** - Correct.

**CHAIR** - Could I clarify whether the relocation of the sewerage line is a matter that will occur regardless of what is done to the site, or only if the stadium is constructed there?

## PUBLIC

**Mr WILLMOTT** - That is a matter for them, again, to where that actual pipe is located. We are assisting with the design part of the project. We have significant designers on board - local Tasmanian designers. IPD [Consulting] are assisting with the design at Macquarie Point. We have afforded that assistance to them to complete design of that pipe.

**CHAIR** - When were you asked to provide some assistance with regard to the design? I am trying to understand whether this was already part of the deal.

**Mr WILLMOTT** - No, it is not.

**CHAIR** - This is since the decision on the stadium?

**Mr TONY WILLMOTT** - Correct, since the announcement.

**CHAIR** - You have been consulted on that?

**Mr WILLMOTT** - After.

**CHAIR** - After the decision?

**Mr WILLMOTT** - That is right.

**CHAIR** - You were asked for some advice design of the relocation of the main sewerage line, which is about a metre in diameter roughly.

**Mr WILLMOTT** - Correct.

**CHAIR** - If there was not to be a stadium built there, that work may not be needed. Am I correct in that? I am just trying to understand the process here.

**Mr THEO** - I think that is a fair assumption. Depending what you put above the ground influences what is below the ground. If it was a park, you would not need to move it. But if you are going to build a building, no matter what it is, it makes sense to move it. You do not want pipes beneath buildings.

**Dr BROAD** - Was it TasWater who raised this issue, or did they come to you and say we have got to do something about the sewerage pipe, or did you say that?

**Mr WILLMOTT** - Just like any developer, they will put in a development application to TasWater. It will be assessed. If there are going to be changed uses to the site, and it involves the relocation of our assets, then our development team works with the developer to make sure that it is designed to our standards and then delivered accordingly. We provide some checks and balances from a quality perspective with our development inspectors. It is just another development - A high profile development.

**Dr BROAD** - Yes, but was this flagged by TasWater - look, we've got a sewage main going through the middle of this site?

## PUBLIC

**Mr WILLMOTT** - Well, that comes up on any LIST<sup>1</sup> search, so you can search our assets at any time all around the state. As part of the development of Macquarie Point, again, I am talking about things that we are not even involved in here. They have calculated that they need to move that sewer main and they have taken steps to redesign it.

**CHAIR** - You probably can't answer this question, but just in case you can, do you know that the cost of relocation for sewage line is included in the assumptions of the business case?

**Mr WILLMOTT** - To the stadium?

**CHAIR** - Yes.

**Mr TONY WILLMOTT** - No, I could not comment on that.

**CHAIR** - I just wanted to check.

**Ms WEBB** - To follow up on answer provided a moment ago about the Government being treated like another development application where they are putting a development application to TasWater, then things are discussed in relation to that and worked out. Has something formally been put to TasWater from the Government in terms of the stadium site? Some sort of formal application development or application process started?

**Mr WILLMOTT** - I cannot comment on that, no, I am not aware of it.

**CHAIR** - How do you know they want you to have a look at it and provide some design on it?

**Mr WILLMOTT** - That is with the Corporation itself, so, I am not sure that-

**CHAIR** - The Corporation approached you?

**Mr TONY WILLMOTT** - That is right. We have been working with them for a number of years to make sure the site is ready for development. The sales of the partitions of land, ready to be redeveloped into other uses, so we have been working with them along the way but I don't know if there has been a formal request for a stadium to be constructed. I can't comment on that.

**Mr THEO** - Our point of contact is with the Macquarie Point Development Corporation. We work with them to look at any impediments that might be in the way with respect to what the development corporation wishes to do at that location. We learned about the stadium being considered for Macquarie Point when we read about it in the newspapers. Given where the location is proposed and given that we have infrastructure, a conversation needs to occur with the development corporation to determine what needs to occur in order for Government to develop that land in the matter it sees fit.

**Dr BROAD** - You have been involved with the Corporation for quite a while, in what sort of investment needed to be put in place to get the escarpment ready for the market. I imagine that TasWater would have had some -

---

<sup>1</sup> Land Information System Tasmania

## PUBLIC

**Mr WILLMOTT** - None of our assets are in that area so, we have had no discussion with them about that.

**Dr BROAD** - There had been no works sewage or water or anything like that ready for the escarpment development?

**Mr WILLMOTT** - Not from a TasWater perspective because the site, from my knowledge, is like a private site inside. It will have connections at the boundary. To my knowledge it has not been undertaken yet.

**Dr BROAD** - But I mean, there are connections at the boundary.

**Mr WILLMOTT** - Currently, to run the offices and things like that, yes. But, I guess as the use becomes clearer there will be larger connections put in place. There might be a 150 mm connection placed into the site to service a hotel, residential apartments, or a stadium, it depends on the use.

**Dr BROAD** - What you would normally have in a development. But there would have had to have been some works done to get that ready, even if it is to the boundary.

**Mr WILLMOTT** - Those connections do not exist yet, to my knowledge. They have been looking at the multiple use of that site. Again, I'm commenting on something that we have nothing to do with.

**Dr BROAD** - That has not been put in place and the development has already been put out to market?

**Mr WILLMOTT** - That is not strange. Those connections are usually put on as part of the construction process; that happens everywhere across the State.

**Mr THEO** - What is important in any development, there is existing infrastructure and then as the land use changes, understanding how it is changing and what is intended to be built; it may or may not have an impact on infrastructure from a perspective of being able to provide water and take away sewerage. Once there is clarity about what the development is, then we make an assessment to determine whether there is any impact on water and sewerage infrastructure. It is part of the conditions of development. If there is an impact, then we enter into the conversation about who pays what, in order to be able to augment infrastructure to meet the intended purpose of that development. So, as Tony says, it's existing infrastructure, but what happens beyond that will be influenced by what ends up being developed.

**CHAIR** - You say that the only communication and consultation you've had is with Macquarie Development Corporation, so there has been no discussion with the Government about the water supply and drainage of a playing field in that area? It's quite close to the river. There has been no conversation at all with TasWater?

**Mr THEO** - I have only had one conversation with Macquarie Point. Tony and the team have multiple conversations, as a lead developer of that site. Yes, the extent of our conversation has been with the working group at Macquarie Point Development Corporation.

## PUBLIC

**CHAIR** - So do you see the proponent for this proposed stadium as Macquarie Point Development Corporation, or the Government?

**Mr THEO** - Well, I assume they represent the Government. We work to the detail in what has to occur, and at an officer level we are dealing with Macquarie Point Development Corporation.

**CHAIR** - Okay. Are there any other questions?

**Mr WILLIE** - In terms of this Aurecon report where they are talking about potable water infrastructure and those sorts of issues, that information hasn't come from TasWater?

**Mr WILLMOTT** - Not to my knowledge. I don't get involved in the development part of it. I'm involved in it from the project delivery perspective in the relation to the movement of Macquarie Point treatment plant, that's it.

**Mr THEO** - To be really clear, our focus has been the treatment plant and continues to be.

**CHAIR** - Which it has been for some time, hasn't it?

**Mr THEO** - Our project has very much been the relocation of the treatment plant. It is part of a much bigger scheme - the Hobart sewerage improvement program - an opportunity to rationalise the number of sewerage treatment plants around Hobart and an opportunity to improve environmental outcomes as part of that process. I think the committee should be aware that Macquarie Point might be able to cope with growth in the greater Hobart area and it is a plant that probably has about 15 years life in it. It makes a lot more sense from an environmental perspective to move that sewage to Selfs Point, which is what we are doing. It frees up that land for Government and Macquarie Point Development Corporation to do what they see best. From our perspective, it delivers a better environmental outcome and it delivers an opportunity to continue to support growth in the greater Hobart area.

**Dr BROAD** - To get back to the oval itself, the grass itself. They are going to need a fair bit of water because they are not going to be relying on rainfall if they have a fixed roof. Let's say it is about two hectares, so they will need maybe five megs a hectare. We are probably looking at 10 megalitres of water for the oval. Is that size connection an issue or completely feasible?

**Mr WILLMOTT** - Yes, of course. We are just finishing the upgrade of the Bryn Estyn water treatment plant, which services Hobart. That provides around 60 per cent; then we have two other sources, being the mountain and also the Lake Fenton pipeline, so we don't have any issues with demand in that area. We have factored growth for the next 30 years into the Bryn Estyn treatment plant as it is. We do not see an issue.

**Dr BROAD** - I didn't mean in terms of the size of your scheme. Obviously, 10 megalitres, connection-wise is there a pipe that you could tap into or you would have to do some significant upgrade? I don't know where the nearest connection of that size would be. Do you have to put a big pipe through the middle of town to get access? I am trying to get a handle on how logistically difficult it could be.



## PUBLIC

**Mr WILLMOTT** - No, nothing like that. We have significant pipelines in that area. They come out into Davey St and we're talking in the order of 600 millimetres, so that comes off through the Domain and feeds down through the city, through Campbell St straight along to Davey St and then sort of up to the top of the city towards Dynnyrne.

**Dr BROAD** - So, 100 metres of new pipe or something like that?

**Mr WILLMOTT** - I'm guessing, yes. I don't know what the design of the stadium is going to be.

**CHAIR** - No one seems to know that.

**Mr WILLMOTT** - There are water mains in the streets and there are water mains around Macquarie Point.

**CHAIR** - So, a regular water main that's in the street would be adequate to deliver the service however many megs you said?

**Mr WILLMOTT** - Service the sprinkler system. Definitely.

**Dr BROAD** - Probably 10, maybe more.

**CHAIR** - He's the agricultural scientist. He can probably work it out.

**Mr THEO** - As I mentioned earlier, if the stadium does get built, what impact that might have on the existing infrastructure is part of the assessment process.

**CHAIR** - Your assessment process or theirs?

**Mr THEO** - Ours. Sometimes you might have to augment or upsize an existing pipe to a slightly larger pipe, but if new pipe has to be built within the site, that will be part of the development conditions.

As Tony says, getting water to the site is not going to be a challenge given the investment that TasWater has made over the last few years at Bryn Estyn and the Fenton pipeline which serves a much bigger purpose.

**CHAIR** - I want to go back to the decommissioning. I think you used the words you would off the site at the end of 2025. Presumably Selfs Point is operating at that point and there always can be delays, but let's say at the end of 2025 you're able to turn off - how long does it take to completely decommission, dismantle and remove the infrastructure there and remediate the site?

**Mr THEO** - Once the treatment plant has been turned off then the physical dismantling of what's above the ground could be a matter of months. The decontamination of the site - again we don't know to what extent that that would occur - depending on what gets built it might be part of the construction phase of whatever gets built to remove or remediate any soil that is left behind. Again, that would be a matter for the constructor of whatever it is that gets built to take into consideration.

## PUBLIC

**CHAIR** - Can I just clarify that, George? Once you turn it off then you pull down all the buildings and remove the tanks and things like that there, and then you don't have to do all the soil remediation yourself, that will be part a future development if it's needed?

**Mr THEO** - Site remediation will need to be done.

**CHAIR** - I'm interested to what level that remediation has to occur.

**Mr THEO** - I don't have that information.

**Mr WILLMOTT** - George, that depends on the future use of the site.

**CHAIR** - Whose responsibility is it, then? If something's to be built there that requires clean soil and no contamination for humans to live there or to recreate there, is that the responsibility of TasWater to complete that work or is that the responsibility of the developer?

**Mr WILLMOTT** - This is the developer or the Development Corporation, so we'll hand that land over to the Development Corporation at the end of the project and it'll be up to them to decide what happens with that land thereafter.

**Dr BROAD** - How big is the actual site?

**Mr WILLMOTT** - I was asked this last time we were here. It's not a substantial site. I said 100 x 100 metres. I'm guessing - it's not a very large site. Given what George said earlier, we don't have any room to expand. Hobart's grown. The plant has served its purpose and it's now time to consider where we have it located in the future and that's what we're doing right now.

**Mr THEO** - To your question, from conversations that we have had and from what I've read and understand to be the case, is that TasWater will turn off the plant, if I can use the layman's term, and the physical removal of the above ground structures, and the -

**Mr WILLMOTT** - I think we're doing it to ground level.

**Mr THEO** - Yes, we're doing that. The actual remediation of the soil and to the extent that it may require remediation has been left with the Macquarie Point Development Corporation to make happen.

**CHAIR** - Are there are any below-ground assets other than pipes onsite?

**Mr THEO** - I am only aware of what we have there.

**Mr WILLMOTT** - Some of the structures go below the ground there, but they will be removed.

**CHAIR** - Do you need to remove those?

**Mr WILLMOTT** - We will be removing the structures that are on that site.

**CHAIR** - Including the pipes?

## PUBLIC

**Mr WILLMOTT** - I am not sure down to every single little pipe, but certainly we will remove the large structures out of the site.

**CHAIR** - Including those below ground?

**Mr THEO** - I think, given that there will be relocation of underground pipes that will need to occur in order for us to be able to take the sewage from Macquarie Point to Selfs Point. What gets left behind is obviously abandoned. Depending on what gets built on that site, those abandoned pipes would be removed as part of whatever happens to get built on that site, if that makes sense.

**CHAIR** - Yes. I am just trying to understand. One focus of the Committee is the cost of this, and who has responsibility for what when you have certain buckets of money being notionally offered from various parties. These are the questions. If there still work to do to remediate the site, where does that fit in the business plans? That is not a question for you. We just need to understand what it is that you will do as TasWater to that site, being as it is part of the bigger picture here.

**Dr BROAD** - I am trying to get my head around this. The pipe that goes straight through Macquarie Point, is that the only pipe that goes into your sewerage plan? Or are there pipes coming from other directions as well?

**Mr WILLMOTT** - No, that is the main inlet to the site.

**Dr BROAD** - The project that you have at the moment is to basically shut down your current sewerage plant and then take a pipe from that site all the way through to Selfs Point?

**Mr WILLMOTT** - Correct. It is the construction of the pump station. We see significant inflow in that area. We have an overflow structure that is a substantial one. That is being constructed to reduce overflows into the Derwent. Then we will have the transfer main off that pump station to Selfs Point. We will have another treatment plant ready for it.

**Dr BROAD** - Basically, you have one pipe that goes straight through Macquarie Point, and you are going to get a pump station, and then you are going to pump it out to Selfs Point.

**Mr WILLMOTT** - Correct.

**Dr BROAD** - Why isn't the design of where they are detouring the pipe - are there any efficiencies, or are you simply 'just get the pipe to us and we will sort the rest out', rather than 'is there a better way of doing things' while you are going to be digging up this pipe anyway?

**Mr WILLMOTT** - Yes. The pipes are in quite different directions. You have the inlet coming from the city, we will say, and the other one going out through the northern part of the site down near the bike track that is there at the moment. There is no efficiency in those two pipelines. As I said at the start, what we are assisting with is the design of the inlet pipe, around the site to the site of our new pump station. We are assisting with that.

**Dr BROAD** - Your new pump station will be located somewhere on the current site?

## PUBLIC

**Mr WILLMOTT** - It is right next to the boundary based on TasPorts' land, and we are currently working with them to make sure that we suit their needs as well.

**Dr BROAD** - The northern end or the southern end?

**Mr WILLMOTT** - At the moment it would be the southern end to mid-end.

**Mr THEO** - It is right on the boundary of the treatment plant.

**Mr WILLMOTT** - It is right on the very boundary.

**CHAIR** - I do not have any further questions. Is there anything you want to add that you feel needs further clarification from our discussions?

**Mr WILLMOTT** - Not from my perspective.

**Mr WILLMOTT** - I have nothing further to add.

**Dr BROAD** - Are there any issues that you see that need to be dealt with in the future, or are the sewerage pipes it?

**Mr WILLMOTT** - Yes, the sewerage pipe is the issue that needs to be relocated, but it has always been planned to be relocated. Whether it is around the edge of the boundary or through another location through the site, that is not a matter for us to be concerned about. We will be having the infrastructure there to cope with the flow that comes from the city, and we will pump that to Selfs Point for treatment.

**Dr BROAD** - We know every now and then there is an issue at that plant. There might be a spill or something like that. Would that impact the ability of people to work on the neighbouring site if you have an incident? At the moment, not many people work around there. If there is construction underway, do you get a trigger and say, 'maybe you should come back in a day or two'?

**Mr WILLMOTT** - No, the spills that have been in the past have been associated with the short outfall out near the wharf there. They do not overflow inside the site or inundate the area; it is out the overflow. They have had issues with treatment, as is well documented.

**Dr BROAD** - No, I just mean in terms of smell and things like that for a start.

**Mr WILLMOTT** - Even when we have had those overflows it has not affected the area.

**CHAIR** - Thank you very much for your time. I appreciate you coming in. I know that you were a little bit unsure to why you were here, but, hopefully it is clearer now.

**Mr THEO** - No. But thank you.

**THE WITNESSES WITHDREW.**

## PUBLIC

**Mr JOHN HARDY**, CHIEF EXECUTIVE OFFICER, RETURNED AND SERVICES LEAGUE TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thank you, John, for appearing before the Public Accounts Committee looking into the proposed stadium at Macquarie Point or Multi-Purpose Art Centre. This is a public hearing, it is being streamed, and the evidence you give will be protected by parliamentary privilege while you are in front of the Committee; however, that does not extend outside. If you make any comments outside, that parliamentary privilege may not apply; so, bear that in mind. If there is anything that you wanted to discuss with the Committee that you believe is confidential in nature you could make that request to the Committee and the Committee would consider that, otherwise it is all public. *Hansard* is recording it, it will be transcribed as part of our evidence and we will publish that transcript once it is available. Do you have any questions?

**Mr HARDY** - No, not at all.

**CHAIR** - I will ask you if you would not mind to take that statutory declaration and after you might like to introduce yourself. We have your submission, we have read that, and encourage you to address the points you have raised in it.

We have two members online too, Lara Alexander and Meg Webb, who are in various parts of the State.

**Mr HARDY** - Good morning. First of all, in terms of the RSL it was important we addressed you, not because we consider ourselves as of any great importance - because we do not. We are probably in a very uncomfortable position. We are acutely aware we are apolitical and we must remain apolitical at all times, like the service men and women that we support while they are serving and once they leave. They are also apolitical so, we must remain the same.

However, it is probably also worth noting the reason why we wanted to do this, so I want to step you through how we got to this place. It was through no choice of our own. About a year ago, we were interested in Macquarie Point for a veteran hub there, which is basically one of the stages we are now looking at in regards to future support of veteran's needs in Tasmania.

We became quite aware of Macquarie Point and the planning requirements for Macquarie Point. I will come to that later. We engaged with State Government at that stage to tell them that this is what we were going to do. This went on for several months and then it went slightly quiet. We were then brought into a meeting about five months ago - I might be slightly out with the dates - but it was about that time ago, when we were informed that Macquarie Point was going to be developed for a stadium, or something like that.

**CHAIR** - Meeting with the Government or Macquarie Point?

**Mr HARDY** - Meeting with the Government.

**CHAIR** - Who did you meet with?

**Mr HARDY** - I met with Kim Evans and he informed us of this.

# PUBLIC

**Dr BROAD** - Was that before the public announcement?

**Mr HARDY** - It was shortly after the public announcement. What was of concern for us at the time was obviously, the State Government was aware of our interest in Macquarie Point. We were not made aware about it at all, until the point where we were made aware after the public announcement. The first thing we knew, even though we had engaged with State Government about our vision for our part of Macquarie Point, near the Cenotaph, and it been done very sympathetically and respectfully for the Cenotaph. We found out publicly and then we found out later, through private consultation.

In the consultation, the information was quite limited and remains quite limited. We have only ever asked three questions. We have only three concerns - the height, the size and how long the build is going to take. We have been very clear we have no other interest than that, and we should not have any other interest than that. I am clear about that, it is not our place.

Our place is to provide services to veterans and their families. If you think of it in terms of how we work within three circles. We work within the commemoration of service circle. We work within mateship. Finally, we work in the smaller circle where we help - we do not touch as many veterans and members of families - we work in the welfare space.

They are our spheres of influence. We do not operate out that. We wanted to make quite clear that what we are now moving into is that, if we were going to oppose this, we were only going to oppose it based on the effect on the Cenotaph.

I have to be honest at this stage; that first consultation was not -in my view - consultation. It was information. Consultation is a two-way stream. That was not the case. We were basically told 'this is what we are going to do'. When we asked those three questions, which we asked very early, there wasn't an answer.

After that period, there were a couple more meetings with State Government, where we continued to ask the same questions and we got the same answers.

Now, imagine if you will, in terms of RSL, we are running towards a wall where we have to make a decision, based on the information we have. That information, up to that point, is very limited, because we do not know the size, we do not know the height and we do not know how long it will take to build.

If you think of those three questions, that is the environmental impact it would have on the Cenotaph, and should be the only concern we should have.

RSL Tasmania is completely supportive of anything that will increase or improve the lives of Tasmanians in Tasmania, let us make that quite clear. We are supportive of stadiums. Sport is an excellent facilitator for both health and mental health. You can see what the JackJumpers have done for Tasmania, bringing them to Tasmania. There is no possible way that we would ever disagree to something that everybody looks at and goes, 'actually, yeah, that's not a bad idea'.

**CHAIR** - It is the location that is the issue for you?

## PUBLIC

**Mr HARDY** - Absolutely, the location; and it is only the location. Be in no doubt, the issue for us is the location. What eventually happened was that there were several more meetings until we got to the stage where we knew the State Government would probably present something to the Federal Government; and at that stage funding may or may not be decided by the Federal Government as to whether they are going to support this project.

We had to have a line in the sand as that went through the gate, because we are the gatekeepers of the Cenotaph. It may belong to Hobart City Council, but when it comes to things like that, the people of Tasmania look towards the RSL.

What then happened is we got to this point where some of our members were starting to make a bit of noise. We had taken a bit of criticism from other organisations that came out very early to oppose it. That is completely up to them, but I was very clear to them that we must deal with State Government with honesty and respect and give them time to put all of their information together to tell us what is going to happen. We should not just kneejerk this and say 'no' just because we can say 'no'. That is never a way to negotiate.

What then happened is we got to a point where we had to make a decision. So, we did some regional forums with all our members, and the subbranches voted against the stadium based on the information that we had had.

So, again, the three questions -

**CHAIR** - Against the stadium or against the location of the stadium?

**Mr JOHN HARDY** - Just the location of the stadium.

**CHAIR** - I just think it is an important distinction, sorry.

**Mr JOHN HARDY** - No, that is absolutely clear. I apologise. Against the location of the stadium, based on the information we had at hand. Again, this is not about the RSL standing in the way of progress -not at all - it is about three things that we need to know.

Let's turn this into everyday life, now. You have had a beautiful house and your ancestors have had that house on that hill for, let's say 100 years, and let's say it was built in 1925. And, this beautiful house was built, which was chosen by your ancestors to overlook this land that your ancestors came to and farmed and did whatever they did. All of a sudden next door someone wants to build a house. I think it is quite reasonable that, if they want to build that house, that you know how big the house is going to be, you know how tall it is going to be, and you know how long it is going to take to build.

These are reasonable questions. I believe these are question that every man and woman, if they had a house getting built next to their house, would have the perfect right to know the answer to before it was built.

When we went to the regional forums, the subbranches decided, not unanimously, but very close to unanimous, that we were going to oppose the stadium. This has given us a very difficult position, because we do not want to be involved in these sorts of things. We uphold commemoration of service, mateship and veterans support and their families in Tasmania.

## PUBLIC

Since then, there has been more engagement with State Government. We have met with the Premier. We meet with the Veterans Minister all the time, and we have gone further forward with this. But the problem remains the same. The problem is we still do not know the height, the size and the location.

There are more considerations here which we are aware of through some friends that we are working with, and which we are also aware of because we have some previous interactions with Macquarie Point. If this is a major project, which undoubtedly it will be, like the River Derwent, this could get pushed through without local planning permission say, from the Hobart City Council. That could be quite damaging to the Cenotaph. We are only asking three questions, yet those questions remain.

The State Government will say - and I completely appreciate it - 'we need to collaborate and we need to work together to get to a solution.' Yes, we do. But before we can do that, we need some fairly basic information. That is, where are you going to put it? Where is the centre? And, then maybe we can talk about the things around it and maybe about how we can enhance it. But we do not know how high it is going to be.

It is not missed by the RSL for a second that it would be really good for families and their kids to walk past the Cenotaph on the way to the football, and then their mum or their dad tells their kids about what it meant and the 522 names that are enshrined in there. That is not missed. It is not missed that maybe on the side of the stadium we could have pictures of veterans and their families, as well as other things. This should be a community thing. It is not just about veterans. It is just about veterans and their family, to us. That is not missed at all.

It could be an excellent opportunity; but the problem is that we don't know how big it's going to be. We don't know how tall it's going to be and we don't know how long it's going to take to build.

**CHAIR** - You said earlier that you've asked these questions of Government a number of times over the last five months, give or take, and you said you keep getting the same answers. What answers do you get?

**Mr HARDY** - To be fair to them, there is a lot more effort now than there was. We have to be fair. But it's also fair to say there's still no answer on those three points. We went to the Premier and the Minister for Veterans Affairs. The Minister for Veterans Affairs is very passionate about this. He does care how this is going to work out. You can clearly see that, and so do his staff, but we still don't have the answers.

In reality, although we've met and we're now trying to work forward with this, if we want to work together in a partnership, we need to know these certain things about that stadium that could absolutely be red lines for us.

**CHAIR** - What things are a red line? In terms of the height?

**Mr HARDY** - The three things. We need to know how high it's going to be.

**CHAIR** - Where's the red line regarding the height?



## PUBLIC

**Mr HARDY** - Okay. Let's say this stadium has 33,000 seats and it has a roof - that could be anything between 9 and 14 storeys high. This is something fairly close to the height of the Royal Hobart Hospital.

**CHAIR** - That's right.

**Mr HARDY** - I appreciate it might be 8, but at the moment we don't know so we're saying 8 to 15 because that's the bracket we have. Because we don't know how big it is, which we would need to know the centre of, because we don't know where the centre is and how big it is, we don't know how close it's going to go to the escarpment.

We have to assume, because we don't have the information, that it's going to go right to the escarpment. If it goes right to the edge of the escarpment, we know the escarpment is about four storeys high because when we were going to build there, we were going below the escarpment. We'd have a grass roof, so you couldn't see it from the Cenotaph.

We know if it's really close to the escarpment, potentially we might have something - and I know this is the worst case but we don't have a best case - something could be towering over the Cenotaph at 10 storeys - something big and white, right next to the Cenotaph and towers it. So, we're talking about something that's taller than the Cenotaph and taller than the trees around the Cenotaph.

We also don't know whereabouts it's going to be, so will it affect the sun?

**CHAIR** - The sunrise at dawn, is that an issue for you? Like Anzac Day, particularly?

**Mr HARDY** - It's an issue for the Cenotaph at any stage. When our forefathers built it there in that place - and I know you know this, Chair, and do get this - it wasn't just thrown there. It was carefully selected by a massive outcry across Tasmania. About half the population of Tasmania had been affected in some way by the First World War. I get it. Now you can see why we are concerned.

**CHAIR** - I went up there to have a look last weekend.

**Dr BROAD** - You're talking in terms of storeys. What is the metre height that would make it, do you think, tower over the Cenotaph? You're talking four storeys that the escarpment is and then on top of that another six storeys.

**Mr HARDY** - I suppose this is the issue. We don't know.

**Dr BROAD** - How high is the Cenotaph, itself, above Macquarie Point level.

**Mr HARDY** - That's an excellent question. Maybe that's the question that we should start to have when we have our meetings.

**CHAIR** - For an answer, yes.

**Mr HARDY** - Okay, so how high? What's your acceptable height? That's the question because I believe that's consultation. We've never been asked that question.

## PUBLIC

Once we get asked that question and someone says to us, 'Okay, this thing's going to be eight storeys high so we're going to have four storeys above the escarpment'. Well, okay, maybe we can do something with that because maybe that's tree-planted; maybe that's a multitude of things but at the moment we don't have any of that.

If we're acting on good faith, at the moment the State Government doesn't know the answers to that. If they want us to go to our members - and this isn't about all veterans in Tasmania. It is our members who have voted. RSL is making a stand about its membership, because its members have said 'no'. But we got to this point of 'no' through lack of information. Now, my concern is how do I get it back to a 'yes'? Does that make sense?

**Dr BROAD** - Do you think that this process has damaged the Branch's relationship with Government?

**Mr HARDY** - No, I don't think it has damaged the relationship. The RSL works in three spheres, and it's three clear spheres: national; state level, which I sit in; and then you get sub-branch level. We all do quite different things. In terms of the relationship with our State, it did at first. I am going to be honest. If I am going to sit here and be sincere and speak with honesty - I believe we should always come from a point of truth, because you will get caught out - is that it did at first, because the State did know that we were considering putting a veteran hub at this location. That will have been very difficult for the Minister for Veterans Affairs. I just know it was. I do not have information on that, but I just know it was. I know he was uncomfortable.

The point is, the first we knew was when it hit the news. Our president may have got a call half an hour before. But, that should have been a first point in negotiation. As I said, if they had wanted to sign a confidentiality agreement - I have worked in business, I know how that works. We sign an agreement and we don't say anything. Going back to the point - to date we have not been asked, well, 'how high is that?'. That is a concern.

The concern from this, for me, is one: if it becomes a major project; two: the impact this could have on the RSL, the damage we could take by opposing something like this - when if you listen to us, we just want to know three things. We are not really opposed, but we have to protect this. This thing was built in 1925. It is now on our shift. It is on my watch to make sure this is done sympathetically, and it is done with consideration. I am not sure that is happening.

**Dr BROAD** - Can I just follow that up? It is pretty clear that the Macquarie Point site, you did not know about it. It hit the news, and then, you know, what is going on here? But when we wind back to the first iteration, which was Regatta Point, that was suddenly announced, too. The first time you found out about that, was that also when it hit the news?

**Mr HARDY** - That would also be when it hit the news.

**Dr BROAD** - So, they didn't learn from that? I imagine that RSL would have had some concerns considering that would impact the Dawn Service, from the positioning at Regatta Point. They didn't learn anything from surprising you there, and then they surprised you again.

**Mr HARDY** - Let's step back to that first, the 'spaceship', as we called it. To go back to that, it would be fair to say that it was very early days. We have always reacted methodically,

## PUBLIC

slowly and carefully. Let's be honest. You act methodically; but, because you are acting methodically, you are acting quite quickly. We needed to make sure, before we made any noise. We made no noise about that, because we wanted the information. It came out, and we went 'okay, we have to act in an honourable way, so we will wait for information. We will wait to be called forward, and then we will get that information'. That died before we really went into that sphere, if that makes sense.

The second one didn't, and now we are where we are. And that's an uncomfortable position. We cannot be perceived to be standing in the way of progress. We do not want to be perceived that way. Why would we want to stand in the way of things like jobs that could effectively support our veterans and their families? What we are stood in the way of is, we have to protect our Cenotaph.

**Dr BROAD** - The issue of the impact on the Cenotaph would have been flagged with Regatta Point. They would have known that the Cenotaph has to be taken into consideration; and yet, when they did it the second time, they still hadn't prepared to give the information to the RSL ahead of the game.

**Mr HARDY** - Look, I'm not here to pass blame. I was never going to come here and do that. I have come here to explain why we are where we are. If mistakes were made, they were made. It's fair to say when this was rolled out the playbook was the Derwent River, the bridge. This isn't a bridge over the Derwent River. It is a completely new playbook and a completely new playbook should have been applied. That is the point.

**CHAIR** - I have two questions, and I think Josh has one as well. You said you met with Kim Evans as the Secretary of State Growth. Being that the same minister is responsible for Veterans Affairs in Tasmania, as is Macquarie Point Development Corporation and thus the process here around the stadium, did you meet with the Minister at any point when the decision was made to relocate or propose the Macquarie Point site as the preferred site?

**Mr HARDY** - We meet with the Minister about every six weeks. Once it was announced that, let's say that the Macquarie Point side of the stadium where it is currently being located, that is something we discuss all the time with him. We do raise the same questions that we raised with State Growth, that hasn't changed.

**CHAIR** - He is also Minister for State Growth in that particular area.

**Mr HARDY** - When we meet with the team from State Growth headed up by Kim, the Minister is not there. It is the 'doers' if you want, that meet. I don't think for a second that the Minister isn't trying to help. I don't think that is the case at all; I think he is. The point is we are being asked to collaborate as part of this group to somehow find a way forward. This is really difficult to do when the questions aren't really being asked of us.

When you are trying to sell a car, you don't pick the colour. The other person picks the colour. They pick the engine size. So, they are trying to sell a car - well how big do you think the car should be? That would be a nice question. How big do you think the stadium should be? We have done some figures on this. That's about 20 metres high, and that over there is 15 storeys. We have got four storeys below the ground, so that could be 10 storeys above the ground, towering over our Cenotaph. That would mean that building is higher than the Cenotaph. That is unacceptable to us, if you put it right there.

## PUBLIC

**CHAIR** - Going back to the veterans hub. You have had significant discussions prior to this. I'm not sure how long you have been the state president but -

**Mr HARDY** - I'm the CEO, I'm not the president; 14 months, three days and seven hours now. About 15 months, yes.

**CHAIR** - CEO, sorry. This happened before your time. There was an unsolicited bid some years ago to build a new hospital on that area around Regatta Point, under the ground, as I understand it; and I had a very close look at this at the time. There was to be, basically, an underground hospital, sympathetic to the landscape of the top of the Cenotaph and the areas there. There was going to be a low-rise hotel off the escarpment, including some step-down hospital wards. Part of that development around the escarpment was some private hospital facilities and consulting rooms, but also a veterans hub. I understand the RSL being quite involved in that at that time. Do you know anything about that?

**Mr HARDY** - I do not have any recollection. I have seen the plans of it, we obviously managed to get hold of them. Again, I found some of that quite alarming, concerning the similar height that would be, and where they were going to potentially going to put that is, what we would say, right in the way. If you look from the bridge behind the Cenotaph and looked out to the coast, it was literally right there.

**CHAIR** - It never went anywhere, but there was definitely a veteran's hub, an education centre and a range of things to support veterans, at that time. Is it fair to say, that there has been a lot of discussion over a number of years about the need for a veteran's hub or is this something that re-emerged - not suddenly, but re-emerged as a really important facility?

**Mr HARDY** - In terms of what we call VHT - Veteran Hub Tasmania - this has all been part of the Federal grant in the last 14 months. Federal have issued about \$5 million to various states. We bid for this halfway through last year and we are now in the final stages. Veteran Hub is an overused word and that's why we have trimmed it down and gone to VHT Tasmania. There has always been talk of a veteran hub there, I suppose. The veteran hub that we were going to put there at that stage, we later came back from that. The Tasmanian University and DVA, through their studies, and various other people and the census, have said that model does not work for us. We have a very dispersed veteran community and we have to service them all. We are better off using some of our facilities we already have and just adjust the role of those facilities.

The concept of the hub for us was a major undertaking and it was predominantly on wellbeing, mental health and that sort of thing. Actually, if a veteran has mental health issues currently, and God forbid, he/she is sectioned, they are going to Melbourne as there is nothing here.

If you wanted a playbook on the worst way you can deal with this, isolation, taking you away from your family, that is pretty big and up there.

That location was very much based on that. It was going to be the first of its kind, a wellbeing centre.

## PUBLIC

**CHAIR** - I just want to understand, when did that model start to develop? When did you take that discussion to the Minister, or whoever you took it to?

**Mr HARDY** - It would have been April last year, where we did a launch. We invited a lot of the ministers and other people to the launch in Hobart when we first talked about the concept of the hub, because that is what we were going to do. Very quickly it became apparent that we should not do that. Through the information we now have, we should do a hub and spoke model; that's the concept now. That is now in the final stages with DVA.

**CHAIR** - Does it still rely on a development at Macquarie Point?

**Mr HARDY** - No, not now, because we took it away. As soon as this became what it was, we very quickly went 'we have to get on with this and we have to do it'.

**CHAIR** - Because of the stadium proposal?

**Mr HARDY** - Because of the cost of what it would then be to do that. The veteran hub at Macquarie Point has very much become a phase II for us. What we have to do is fix the leaky roof first. There is a load of services we have to deliver across the State now that are far more important than the second phase, which would be that.

**Dr BROAD** - How much time and effort, funding and so on was invested by the RSL in getting the hub to the stage it was at? Did you have concept plans?

**Mr HARDY** - Yes.

**Dr BROAD** - What sort of money?

**Mr HARDY** - You would be pleased to know, because obviously we are state funded, we did it on a shoestring. I would imagine it was tens of thousands of dollars, no more than that.

The people who we were using to do the designs, [indecipherable] were pretty good. They did a lot of the work for us and it was pretty good, I have to be fair to them. It was a little surprising knowing what we now know, that this thing came out given the State Government knew we had this concept.

Again, I am not here to throw them under the bus for that. We all have to move on. The State Government may believe it is doing this for the better, and that's for them to decide, not for me. The reason we are here now is because we believed we needed to put it on record.

**Dr BROAD** - There has been no discussion about how your wellbeing hub could fit into a design for the stadium, or anything like that?

**Mr HARDY** - There has been very recently, it would be fair to say...

**CHAIR** - A week ago?

**Mr HARDY** - Let us say within the last three weeks. There has been discussion about how we could possibly enhance the site. The problem we have is that it's all very difficult now.

## PUBLIC

We have a membership that has said 'no'. We will invite the State Government to come to our congress to state their case to the members, and then the members will get a chance to decide. The members will be asked to vote again, based on the information we have at that time. This is an evolution. This evolved all the time. It is an open and closed door.

**CHAIR** - When is this meeting?

**Mr HARDY** - It will be in May. Then, hopefully, in May, we will have more information and we will know what the size and shape of this building is going to be. It is all right discussing things, we can have a veteran hub here, and we can do this and do that. That is also a very difficult situation for us, because what will the general public think? We go back and now we support it, and by the way, we have a veteran hub now. We cannot do that. Regardless of the some of the things the RSL may have done in the last 100 years, right now, we are acting with integrity, honesty and decency. We will not do that. We will need to go back to our members.

But the three questions will need to be answered before we can move forward. How high do you think it should be? I think if you did get seven stories, that would put three above. This is just hypothetical, by the way - do not hold me to this - if we have four stories above the escarpment, with a bit of landscaping you could probably do all right. Let's say that is the argument; that will still have to go to the members of the 49 sub-branches. You know how difficult it is to get your own people to vote on things. With best will in the world, when you have that many people in the room, they will have to be incredibly disciplined not to be thinking about other things that concern them about the Cenotaph - which is not our place.

**Mr WILLIE** - Has the Government given you indication of what planning process they will use? You have alluded to it; do you think it will be a major projects process?

**Mr HARDY** - No. Our concern is it will be a major projects process. Obviously, under normal planning permission, - this document here already mentions cultural heritage, and that it cannot affect the ambience. With cultural heritage and cannot affect the ambience - it is quite difficult to put a stadium in. If they are going to go to a major project - which is their right - we are concerned that some of this might get pushed through. The effects on the stadium might be quite significant if it gets pushed through.

Again, we are not opposed to a stadium or stadiums. We just need the answers for these three questions, so we can then say, how can we now work with you? How can we make this work? At the moment, we are perhaps unfairly being asked to support something when we do not know how big it is. You cannot have a neighbour -.

**CHAIR** - You may get to a point where you cannot support it though, because of the nature of it. Am I right?

**Mr HARDY** - I do not think there is a position where we can never support it. It would be wrong to say that. For instance, let us hypothetically say this: they dig down and the stadium height reduces to such degree that it becomes acceptable and does not affect the Cenotaph. People will say, can't do that, water level. Okay, I am not an engineer; but I have seen quite a lot of buildings that dig a quite a long way down under the sea, let alone to the sea. If we get to that stage where it is not to affect the Cenotaph, then our argument must fall away. We cannot argue about economics, roads, traffic, people and flows - that's not what the RSL is for.

## PUBLIC

We're purely here to discuss the Cenotaph. If the argument of the Cenotaph decreases to such a degree that our members say, 'Actually, that's all right', then our opposition must stop.

**Mr WILLIE** - To clarify my previous question, have you had any discussions with the Government about the planning process that they'll pursue?

**Mr HARDY** - No. I've raised with them, 'Is this going to be major projects?' The playbook they used for this was the Derwent River. They didn't use the term 'playbook'; that's my term. But the Derwent River is a major project.

**Dr BROAD** - Bridgewater Bridge.

**Mr HARDY** - Yes, the Bridgewater Bridge. If that's a major project and they're using that as a reference then I'm going to assume, 'Is this a major project?' Therefore, some of the checks and balances that would maybe fall in our favour could be taken away.

**Mr WILLIE** - And it's up to them to clarify that for you.

**Mr HARDY** - Yes.

**Mr WILLIE** - Chair, the roof is quite critical to the height. If you look at the Aurecon Report, it has some discussion about the light towers having to be under the roof and the requirements in terms of the broadcasting and how the lights look and those sorts of things. We found out last week that it was the State Government who's thrown the roof in. It's not a requirement of the AFL. It was the State Government who decided to put a roof on the stadium.

Have you had any discussion with the Government about the roof and whether that's negotiable? Because if you had a stadium with light towers and no roof, the height would come down quite considerably, you would think.

**Mr HARDY** - No, and there's a reason for that. We have to be very clear about how we have our negotiation. For me, it's purely about the height, so if they decide to have a roof, or don't have a roof; have light towers, or don't have light towers; it makes no difference to us. This is all about the height. We need to know those three things.

**Mr WILLIE** - The roof will influence the height.

**Mr HARDY** - Of course it will, but that's a matter for the Government. If they come back and say, 'We're going to take the roof off, which will take three storeys off, and therefore it will be this high', okay. But that's for them to decide, it's not for us.

**CHAIR** - But you need to know.

**Mr HARDY** - Yes, we need to know.

**Mr WILLIE** - But there've been no discussions around that.

**Mr HARDY** - No. We know through discussions with them that there is a roof.

**CHAIR** - And the lights need to be inside.

## PUBLIC

**Mr HARDY** - The lights would need to be inside. Having been to a stadium with a roof, yes, you would need to put lights inside it; or maybe not.

**CHAIR** - You can't broadcast then, can you?

**Mr YOUNG** - A comment from me to say thanks for a reasoned and well-articulated response so far. Thank you.

**Mr HARDY** - No problems. Like I said, we just want it to be absolutely clear to the people who watch this, to understand that we aren't opposed to AFL, we're not opposed to football, we're not opposed to stadiums or any of that; we want Tasmanians to thrive. Our issue is purely around that Cenotaph and those three questions. Once we have those three questions answered, then let's negotiate. Let's try and make it so it fits; but we can't do that.

**CHAIR** - On that, can you step me through the key concerns that your members have about the impact on the Cenotaph. Is it the visual impact on the Cenotaph, the shading of the Cenotaph, or are there other things?

**Mr HARDY** - To understand that, you have to understand the history.

**CHAIR** - I'm happy for you to step me through that.

**Mr HARDY** - We go back to a period in early modern Australia - to 1925, after a massive outpouring across the majority of the Allied world after the First World War. The population of Tasmania then was probably about 120,000 or something like that. A total of 522 were killed. At least five times that number would have been injured - that's the ratio. Around the world, predominantly through the widows, it was necessary to somehow commemorate all these men - not all men, but predominately men - who had been killed in the First World War which, up to that time, was by far the biggest thing the world had seen in terms of collateral human damage.

They chose to put that on the spot that outlined to the world what Tasmania is. If you come into that harbour, that Cenotaph is front and centre. I know there is a water treatment plant beside it and all the rest of it. That was not on my watch; I cannot change that.

If you look at that, it says to the world, 'Tasmanians will do their bit'. That is very powerful, do not underestimate that. It gave the people a place to go to commemorate in the Hobart area. I know these cenotaphs are all over the island, as they are all over the world. But, I can assure you the Hobart Cenotaph is up there in the top 10 or 15 on the planet. That is what you have. That site has always had a link to the military and various things right through from the Queen's Battery before that time.

They built this. Since then, it has been a place where people commemorate, be that Anzac Day or be that Remembrance. As we move through time, people forget. We need to be really careful about people forgetting because if people forget, we do it again. When our ancestors did this, they were not stupid. They looked at it and they went, 'Hold on a minute. This should be the war to end all wars'. Even back then, they were trying to do that. Are we belittling that? Are we really saying, 'Okay, that's great. That's over there; but we're going to build this big shiny football stadium right beside it.' Is that what we want?



## PUBLIC

**CHAIR** - If I could go back to the question. What is it? Is it the being able to see the stadium while you are standing in reflection at the Cenotaph? Is it the way that it impacts on the light on the Cenotaph? What is it?

**Mr HARDY** - It is all of those things. It will be the light; some will say that won't be affected by it. Let's say it is 15 storeys high; and let's say we now have the Royal Hobart Hospital right beside it. I don't think I need to explain that. I think it will dominate the surroundings and it will dominate the Cenotaph.

**Dr BROAD** - Do you want to have a clear line of sight to the dawn sun on Anzac Day?

**Mr HARDY** - Absolutely

**Dr BROAD** - You do not want the dawn sun rising over a stadium; you want a clear line of sight.

**Mr HARDY** - We would argue that we would like a clear line of sight to the sun on any day. Not just Anzac Day; it would be any day. That is one aspect.

The second aspect is about the place itself. It is a place to remember. I know some will say that the council put circuses on the grass and all the rest of it. We are not opposed to that. The kids are going to come across and play, and it is for a very short period of time. Actually, we aren't given a voice in that either, they just do it. When we go up and look at it, we are the people that go up there and say, no, you can't put that there. And then we get the local project managers coming back to us and saying that they want to put something on the brickwork by the Cenotaph. 'Nah, mate'.

We are doing that, and we do that locally. We do that without the local council. But, it is all those things. It's what it means to our members and it is what it should mean to us all.

**CHAIR** - It is respect for the place.

**Mr HARDY** - It is respect for the place. Yes

**CHAIR** - The history.

**Mr HARDY** - Yes. It is all those things. Be careful what history you give up. I come from a country that is very small and is now very busy. Just be careful.

**Mrs ALEXANDER** - Thank you very much for your presentation. It has been fantastic to hear your thoughts and to understand the RSL on this issue. I am trying to understand the timeline of the news the RSL received in relation to Macquarie Point. When the news broke into the media about Macquarie Point being the site, at that point in time, did you have any information or had anybody contacted you to have some preliminary discussion to say, 'we are thinking about doing this'?

**Mr HARDY** - If we are denoting a conversation of 'we are thinking about doing this at Macquarie Point' - absolutely not. If we are denoting that the president might have got a phone

## PUBLIC

call a day or two before to say there is going to be an announcement on Macquarie Point - yes; but that is a very different thing.

**Mrs ALEXANDER** - When, exactly, was the first time there was direct communication with you? At which point - last year, this year - was there direct communication? When was that perfunctory phone call?

**Mr HARDY** - In terms of direct communication, I cannot remember the date because it was not with me; it would have been with my president. The president would have been informed about a day or two before the announcement. If you go forward two days of that announcement, that would have been the time we were told there was to be an announcement of what was going to happen.

**Dr BROAD** - Sorry, to be clear: the president was alerted there would be an announcement about Macquarie Point, but not what the announcement would be?

**Mr HARDY** - Yes.

**Dr BROAD** - The whole idea of a stadium at Macquarie Point - the president might have been alerted half an hour before the press, or something?

**Mr HARDY** - To the best of my knowledge - coming from a point of truth - I was informed by the president he was informed there was going to be an announcement on Macquarie Point. It might have been the stadium as well, but that is all we knew. We did not know anything else, and then it was announced - probably about a week later. I can give you the exact dates if you want those dates. We had our first consultation with State Government under Kim.

That first consultation, if I am honest, was a little bit fireworky. I am a CEO and when I go into a meeting I expect consultation, I do not expect information - which is what we got. We went in with: okay, how big is it going to be? How high is it going to be? When are you going to build it? We need to do an environmental impact study. They did not have the answers and, to be fair, they got a fairly rough ride. My president was quite surprised how savage I was, if I am honest. When we left, he did say, you could have given me a warning you were going to do that, John. I said, we walked into something and they gave us no respect at all. They did not have any information.

**CHAIR** - You had no information before you went into that meeting? Other than the media?

**Mr HARDY** - No, other than the media release. That has moved forward, it has got to be said, but we still do not know.

**Mrs ALEXANDER** - Sorry, John. I wanted to clarify when exactly was that meeting? Could you possibly identify the month?

**Mr HARDY** - I cannot identify the month. If you can identify the date of the announcement, I can tell you it was within two weeks of that announcement - the first proper consultation/information meeting.

## PUBLIC

**Mrs ALEXANDER** - Thank you for that.

**CHAIR** - At that point, when your president was informed of an announcement to be made with regard to a stadium and Macquarie Point, the stadium was proposed for Regatta Point which still potentially impacts on the Cenotaph?

**Mr HARDY** - We are potentially confusing two things here. The Regatta Point one he was told a little bit beforehand, but when it was going to be moved to the other place he was told again that it was going to be moved to the other place. There was not any more information than that. We just knew it was going to Mac Point somewhere. We were a little perplexed, as we had involved the Government in our potential plans for Mac Point with the development that was ongoing at that time. It was not just us, it was a development for the whole piece. Remember, the reconciliation park and all that was part of the original development. It was all going to be part of that.

**Mrs ALEXANDER** - With your original proposal about the reconciliation and that whole structure, was the RSL more comfortable with something initially envisaged for the site?

**Mr HARDY** - The initial vision of the site probably was not really an announcement through State Government. It was sort of us working with Macquarie Point in regards to how we could be involved. We approached them once we found out the development was going to be there, because obviously that would be a really good place for us to operate from.

**CHAIR** - Bear in mind there was more than one plan, but I think we are referring to the one that is still currently on foot.

**Mr HARDY** - No.

**CHAIR** - To the reconciliation art park?

**Mr HARDY** - I do not know what you would call that plan. Let us step back. We have the initial plan we became part of, as having a veteran hub beside or below the eye-line. That included the park, and I think at the stage we were looking at accommodation to run down that side, along the escarpment. That was that plan. Let us call that plan one. We involved ourselves in that plan, because we wanted to be part of that.

We were informed of the plan for the stadium - or 'the spaceship' as it was locally called - that was sort of sat in the estuary. We didn't really comment on that plan, because it wasn't really around long for us to take stock of what was going on. Like I said, we deliberately stepped through gates, slowly and courteously.

The final plan, which is the plan they are at now, my president was informed a couple of days before the actual announcement. If it was a couple of days, I am being graceful. It was purely about Mac Point - 'there is going to be an announcement at Mac Point'. That was it. There was no more information. We were then called into consultation from that plan within two weeks of that announcement. The consultation was information. It was not consultation.

**Dr BROAD** - We know the escarpment had been put out for development. There's a proponent and the escarpment development is all still up in the air now. Had you had any

## PUBLIC

discussions with the potential developer or developers for the escarpment, laying out what you would like to see if anybody was going to build on that part of Macquarie Point?

**Mr HARDY** - No. The only discussion we had with developers would be with [indicepherable] Architects, and that would be about the veteran hub which would have been the building closest to the Royal Engineers Building. We were happy with that, because the escarpment is so high there we knew we could operate under the height of the escarpment and not be seen at all from the Cenotaph. If we could be seen, it would basically be a garden roof.

**Dr BROAD** - Did you have discussion with [the architects] about 'we don't want to see things above the escarpment'?

**Mr HARDY** - To be fair to them, they were all over it.

**Dr BROAD** - They knew already?

**Mr HARDY** - They were all over it. They were very sympathetic. I am going to be completely fair. We had some later discussions with them where they showed us sort of visibility studies of some of the other things that would have been in that whole area. We did raise eyebrows, because - I don't know if you've seen it before - but you get a side-on, and then you block it out of what you will be able to see and what you will not be able to see. We got that, and we didn't say anything at the time; but I remember they were writing things down going, 'not sure about that'. That never came to fruition.

**CHAIR** - We are about out of time. Is there anything you wanted to say that you've already covered?

**Mr HARDY** - No. It's worth me mentioning it, just closing on one thing. This was the final process. I think this is important. It shows we are trying to do the right thing. When we got to the point of the vast majority of our sub-branches saying we did not support this. I immediately informed the state Government. I did tell them previously, 'look, this is not going the right way'. I informed the Government and I said, 'they are going to vote against this'. We knew this, because we did regional votes and it was rolling through them. There became a point of impact where you just knew it didn't matter if the last region voted for it or not, it was not going go.

We said to the Government, 'this isn't going to work'. We arranged a meeting at 9:00 am on Monday morning. I went straight in on the Monday morning, and said, 'look, this is the news, this is what they're going to do. I am now going to write the Premier a letter, which will outline our concerns and the direction I have been given by the state and the members. I am going to give you the rest of the day to think about it, just in case. At 4:00 pm tonight, I will deliver the letter.'

What I found quite ironic, is when I asked who do I deliver the letter to, they said, 'oh yeah, just send it in an email.' Hold on, I am trying to give you time here. When we sent the email, we said 'right, okay, we will go public with this on Wednesday morning.' We were giving more time to say 'okay, these are still our questions, you haven't answered these questions. You can answer these questions now, before we have to go public.' There has been a clear set of decision gates that we have gone through very slowly, very methodically. We have never wanted to be at this point. Does that make sense?

# PUBLIC

**CHAIR** - Yes.

**Dr BROAD** - Absolutely. As you said, you've been acting honourably the whole way through this.

**CHAIR** - Well, thank you very much for your time, John. I appreciate you talking us through that. The committee has also asked for similar information around heights and elevations and impact on surrounding structures and that sort of thing. Hopefully, we'll get it too.

**Mr HARDY** - Thank you.

**THE WITNESS WITHDREW.**



## PUBLIC

**Ms SOPHIE UNDERWOOD**, STATE COORDINATOR, PLANNING MATTERS ALLIANCE TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Welcome. If you'd like to make some opening comments and speak to your submission?

**Ms UNDERWOOD** - Thank you very much for having me here today. For those of you who are unaware, I am the State Coordinator of the Planning Matters Alliance. We're an alliance of almost 70 community groups from across the State. We started in about 2016 in direct response to our concerns with regard to the Tasmanian Planning Scheme. Our core function, effectively, is now to try to improve Tasmania's planning system on a range of issues. We work on a large amount of issues that all relate to the planning system.

I wanted to make some further submissions. You've seen our written submission which essentially covers some key questions about planning assessment considerations for a stadium at Macquarie Point, but further to our written submission we've gained more information regarding planning assessment considerations. I wanted to talk through that.

**CHAIR** - Sure.

**Ms UNDERWOOD** - With regard to the current planning scheme, the current site, overall, is under the *Sullivans Cove Planning Scheme 1997* so the new Tasmanian Planning Scheme hasn't taken effect yet within the Hobart City Council area. That's one thing to note. We have been advised that the new planning scheme may be operational sometime within the next year and a half but it hasn't even gone out for public comment yet, so that's a whole other process.

Under the current planning scheme - the *Sullivans Cove Planning Scheme 1997* - it does not appear that it's possible to obtain a planning approval from the Hobart City Council for the proposed AFL stadium. That's essentially because under the current planning scheme it is prohibited. The planning scheme was amended in 2019 to include the Macquarie Point Site Development plan. We have advice that major sports and recreation uses are prohibited within parts of the plan area, and that other provisions that seek to protect views and sight lines from the Cenotaph across the Macquarie Point area would be a further impediment.

For your information, the Planning Scheme Amendment in 2019 is referred to as the Macquarie Point Reset Master Plan 2017-2030. That's the plan that has gone through a statutory process. At the moment, to the best of our knowledge, the only place you can read that now is on the Planning Matters Alliance home page. We are assuming that is the final document, but it has been very hard for us to get a copy of it. It was very hard to get a copy of it, full stop.

It is interesting to note that the Macquarie Point Reset Master Plan was developed through a statutory process by the Tasmanian Planning Commission. It is consistent with, and furthers, all relevant planning legislation policy, including: the Land Use Planning and Approvals Act; the applicable State policies within in the State Policies and Projects Act; the Southern Tasmania Regional Land Use Strategy; and the Sullivans Cove Strategic Framework under the Planning Scheme. That is the master plan that went through that statutory process.

## PUBLIC

It was noted that at the time a plan was developed, a stadium was not envisaged. Our advice suggests, and I quote:

Unless the scheme were amended, it would not currently be possible to construct the proposed AFL stadium within the Macquarie Point Site Development Area, simply with a planning permit.

One of our big questions is: How will the stadium be assessed?

I also meant to note in my introduction that Planning Matters Alliance held a public meeting about the stadium in November last year, where we had over 300 members of the community present. We don't have a position on the stadium. We did ask the Premier to present at that public meeting, but the Government chose to not attend. We held that meeting to shine a light on the future of Macquarie Point and asked those questions about planning considerations.

The other way that this project might be facilitated is through a planning scheme amendment. For example; the Macquarie Point Development Corporation Board, as you are probably aware, is the corporation that owns that land. They can make a recommendation to the minister to amend the planning scheme, but it is noted that this can only happen once, and the Board has already done that. So, that option is currently unavailable.

The other way that the stadium could be facilitated is with a planning scheme amendment via the Land Use Planning and Approvals Act. That planning scheme amendment would need to be initiated by the Hobart City Council or by request to the Council, but the Council would still have to vote on whether to initiate that planning scheme amendment or not. A proposed scheme amendment would be considered by the Tasmanian Planning Commission, and provides for public comment. The council would be expected to have an input on that.

It is worth noting, section 32.3.3 of the *Sullivans Cove Planning Scheme 1997* states that:

... not adversely impact on the cultural heritage and reverential ambiance of Hobart Cenotaph and its surrounds.

So, any planning scheme amendment would have to have consideration for the future desired character of that area.

Another way that the stadium may be assessed is through a major projects pathway. The AFL stadium could be assessed - and potentially approved - by this major projects pathway, whereby the normal council process is bypassed and there will no right for the community to appeal the final decision, and the planning scheme only needs to be considered, which may mean it can be inconsistent with the planning scheme like, for example, the future desired character, which I just read out. So, the planning scheme amendment could be inconsistent with the planning scheme.

As we know, in our view, the major projects assessment process was highly contentious when it was developed, and when the bill came before Parliament. There is a lot of concern already regarding the major projects process, because it doesn't have to adhere to local planning rules and there is no opportunity for the community to appeal any decision. That has been on the public record and we have stated that in the Upper House briefings. That is a big concern.



## PUBLIC

Another aspect that has come to light since we put in our submission in, I think, February, is that there is another big thing happening in the background with regards to planning in the state at the moment through the Local Government Review. We are about to have the next report of the Local Government Review released. It has been given to the Minister today, I understand.

Essentially, we think there is a push through that review to remove councils as a planning authority altogether, so councils will not have a say on development applications. So, this is just an important consideration -

**CHAIR** - That would require legislative change, though.

**Ms UNDERWOOD** - For that aspect, yes. Our legal information confirms that removing councils as a planning authority would come to parliament. But, there are other issues that we are concerned about with the Local Government Review. The other one is forced amalgamations. Our legal information confirms that would not need to come to parliament - so, we can see councils effectively dismissed. That would have massive implications for local government and on how decisions are made. It may not have direct relevance on the stadium but it is worth considering that this is going on in the background.

We don't know how many councils the Government is thinking would be formed through that process. We heard that it could be three regional councils. I am not sure what that means for local decision-making in regards to the stadium, but that is something that I think that the inquiry should consider as well.

**Dr BROAD** - What makes you think that there will be only three regional councils in Tasmania?

**Ms UNDERWOOD** - It is some information we read from the Local Government Review Board. They referred to, from memory, three regional councils. They definitely talked about regional councils. Maybe we made that assumption on the basis of the three regional land use strategies. I can go back and look at the notes. We have a massive amount of information that we look at. Planning Matters Alliance had to comment on five submissions in five weeks from the end of January; so, a lot of information. So, yes, that is part of our thinking around why we think there would be potentially three regional councils.

The only other thing that I would say is that we have already seen the Premier essentially interfere in a statutory process, because that is PMAT's biggest concern, that they announced the stadium with no public consultation. This would be one of our greatest concerns.

**CHAIR** - Has PMAT written to, or had any direct communication with, any of the relevant ministers regarding the planning process that they expected to be used? There's a few that potentially have various roles in this, regarding the planning process they expected to be used.

**Ms UNDERWOOD** - No, and we haven't written to any minister.

**CHAIR** - There has been no seeking of that information, yet. I mean, the Committee is obviously seeking that information.

# PUBLIC

**Ms UNDERWOOD** - It was something that we would consider doing.

**CHAIR** - Local government reform aside - because who knows what that is going to be - notionally, if there were three regional councils that might make it harder for them to get a stadium approved. I don't know. In terms of the planning matters related to the Hobart City Council, have you had discussions with them about that?

**Ms UNDERWOOD** - The only discussion I've had with the Hobart City Council was trying to obtain a copy of the master plan, because they were involved with that process. That was just an informal discussion, by phone, and the same with the Tasmanian Planning Commission. I contacted them to ask for a copy of the final master plan, because I couldn't find it anywhere in the public arena.

**CHAIR** - Do you believe that what you've put a link to here on your website is the final master plan, or are you not sure?

**Ms UNDERWOOD** - No. We were given that, but no-one has been able to be clear with me about what is the final plan. This was my understanding; I didn't ever see it on the Macquarie Point website, but apparently it was on there, and now it is not. I am not 100% sure that it was. The Planning Matters Alliance didn't engage in any of the development of the Macquarie Point Plan, because that is not the kind of thing we do. We have got engaged partly, at this point, because the Premier has effectively intervened in the statutory process and that development was announced without any consultation.

**CHAIR** - Do you believe the proposal would meet the requirements for a major project, or a project of state significance?

**Ms UNDERWOOD** - If you look at the eligibility for a project to be declared a major project:

If the Minister is of the opinion that the project has at least two of the following:

- (a) a significant impact on, or contribution to, a region's economy, environment, or social fabric;
- (b) of strategic importance to a region; and
- (c) of significant scale and complexity.

I just want to preface this by saying I'm not a planner and I'm not a lawyer; but, looking at those criteria, I would say that a stadium would meet at least two of those criteria.

**CHAIR** - What about the project of State significance?

**Ms UNDERWOOD** - Under section 16(1) under the *State Policies and Projects Acts 1993*:

- ... a project is eligible to be project of State significance if it possesses at least 2 of the following attributes:
- (a) significant capital investment;

## PUBLIC

- (b) significant contribution to the state's economic development;
- (c) significant consequential economic impacts;
- (d) significant potential contribution to Australia's balance of payments;
- (e) significant impact on the environment;
- (f) complex technical processes and engineering designs;
- (g) significant infrastructure requirements.

Again, I am not a planner or a planning lawyer but given those criteria I would say that the stadium could be assessed or declared a State significance project. I don't think there is anything -

**Dr BROAD** - Could you be clear about the difference between State significance and a major project, in terms of the way things might proceed? You are saying for a major project, Government only needs to have a view of the planning scheme, the desires of a planning scheme, but can basically ignore it all and proceed and there is no ability to appeal that decision? What is the difference?

**Ms UNDERWOOD** - Well, this is part of the reason why we were concerned at the time, because we were saying there are already assessment processes in place, so, why do we need a new major projects assessment process? I can't answer, that because I think we would need to directly compare each process and I can't remember the specifics. We had 25 concerns with regard to the major projects. We tried to get 25 amendments up through the Upper House but, unfortunately, we failed. We had a lawyer draft those amendments and they were based on our concerns. I can make them available; I just can't remember the detail, I'm afraid.

One of our biggest concerns at the time was that we were creating a new system that would override the local community and the local voices, and we did not have the opportunity to appeal. We were, at the time, worried about ministerial power within the new major projects; but I can't remember all the details.

**Ms WEBB** - I have a comment that might feed into that discussion. Potentially, one key difference is a project of State significance has to go through both Houses of Parliament but I do not believe a major project to process has to. That's one key difference between the two.

**Ms UNDERWOOD** - I can't remember all the details, I have to say.

**Ms WEBB** - Sophie, I noted in your submission some comments relating to the difficulty about independence in the planning assessment process, when you have a Government as the proponent who is potentially making an agreement with the AFL that is contingent on a stadium being delivered. They have made a contract that has that as an outcome already agreed, and it hasn't yet gone through any planning process. Did you want to talk a little bit more about concerns about the propriety of undergoing a planning process where there is a given outcome?

**Ms UNDERWOOD** - Yes, that was definitely a concern, because one of the key principles that the Planning Matters Alliance is trying to achieve through our advocacy is in improving transparency and the independence of the planning system. We raised that concern, because if it is attached to the nineteenth licence of having a football team here, then there would be a lot of pressure on that process because there are a lot of things riding on it. We

## PUBLIC

were questioning the independence of that, because that planning process should identify all the planning issues and it is unclear whether some of those issues will be solvable - especially around traffic, parking, noise, access to the site. They are just a number of the considerations. We were flagging that we would be concerned about the independence of a process that was contingent on a particular outcome the Government is trying to achieve.

**CHAIR** - Sophie, I note you mentioned the impact on the Cenotaph, but also the 1914 Goods Shed which, I understand, is Heritage listed. Some people have watched this a little bit more closely. The first drawing of an impression of a stadium on the site showed the Goods Shed still where it is; but then another appeared where the Goods Shed seems to have moved about 200 metres to one side. What do you understand about the nature of the heritage requirements of the now odd-angled shed and what would that mean for that?

**Ms UNDERWOOD** - It is difficult to know exactly what is going on because we have not seen any proposal. As highlighted, we do not know about the exact location, height, size or footprint. I have been told - from memory, I am almost 100 per cent sure that it was from an expert planner - there would not be room and the Goods Shed would have to be removed.

From my understanding, I do not know if the stadium and the goods shed are going to be enough room.

**Mr WILLIE** - It is based off 140 metre diameter.

**CHAIR** - The stadium?

**Mr WILLIE** - Well, most stadium proposals have that sort of footprint.

**Ms UNDERWOOD** - We have not looked into the detail of it. We have looked at other stadiums.

**CHAIR** - In terms of the Goods Shed, if it was moved, does that undermine its heritage value or is the shed above the ground the heritage value?

**Ms UNDERWOOD** - I do not know enough about the heritage values of that particular shed except that if it is listed, it is important.

**Dr BROAD** - Just to be clear, the Major Projects pathway could just override it anyway?

**Ms UNDERWOOD** - I do not know how the Major Projects works in with the Heritage Act, so I can't answer that question. That is the kind of question I would ask a planning lawyer before we spoke publicly on that kind of thing.

**CHAIR** - Well, thanks, Sophie. We appreciate your submission - it is quite comprehensive - and your further comments. Is there anything you wanted to close with?

**Ms UNDERWOOD** - No, I don't think so.

**CHAIR** - I appreciate your input into it and your planning.

## **PUBLIC**

**Ms UNDERWOOD** - One final thing - and it may still be on the Mac Point website - but if you look at the Master Development Plan, it established seven precincts within the 9.3-hectare site. You have probably seen that, now. It's worth noting these precincts were specifically designed to underpin the planning scheme framework, so they were careful about being consistent with the planning system.

**CHAIR** - Yes. Sensitive to it, and in line with it.

**Ms UNDERWOOD** - Yes; and my understanding is that-

**CHAIR** - But they still needed that amendment to it, to facilitate that.

**Ms UNDERWOOD** - That is right, but it was done within the framework of the local planning system.

**CHAIR** - Ok, well, thank you very much for your time.

**Ms UNDERWOOD** - Thank you everyone.

**THE WITNESS WITHDREW.**



## PUBLIC

**Mr DOMINIC BAKER** CHIEF EXECUTIVE OFFICER, CRICKET TASMANIA/ CRICKET AUSTRALIA WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thanks, Dominic, for appearing before the Public Accounts Committee Inquiry into the Proposed Stadium at Macquarie Point, on the process of the decision and the connection with the proposed AFL licence. We received your submission. Thank you for that. This is a public hearing. Everything you say in front of the Committee is covered by parliamentary privilege. That does not necessarily extend beyond this room. If there is anything you wanted to tell the Committee of a confidential nature, you could make that request and the Committee would consider it.

Otherwise, it is all public. It will be transcribed by *Hansard* and appear on our website once it is checked and available. Do you have any questions before we commence?

**Mr BAKER** - No. My name is Dominic Baker. I am the CEO of Cricket Tasmania. We provided a submission to the inquiry in conjunction with Cricket Australia. I am here representing both bodies today.

We saw three parts of the inquiry being relevant to us and we touched on all three of those in our submission. The submission is pretty self-explanatory and I am happy to open up to questions and hand it over.

**CHAIR** - In your submission, you talk about how, in a year unaffected by COVID-19 or any other horror that could occur, Blundstone Arena hosts about 30 events, which include Sheffield Shield; Marsh Cup; Women's National Cricket League; and a number of others. How do you see the future of Bellerive Oval, should a new stadium be built? Is it still going to have a role in delivering some of these events, or are these events counted in the 44 events a year the Government talks about?

**Mr BAKER** - The 30 events are, importantly, on grass. There is a whole heap of other events that go at the stadium and in the precinct using the other facilities, but on the grass there are 30 events. We have been looking at the opportunity presented by the stadium for fan-facing cricket - what we called fan-facing cricket in a national cricket and/or Big Bash cricket, where you get significant numbers of crowds. For WNCL, for Sheffield Shield, we are only talking about catering for about 100 people at a time, or maybe 200 or 300, except for when we are fortunate enough to play in finals, where, of course, you would get a few more. When we have looked at what the stadium has to offer for cricket, we are really looking at that fan-facing opportunity.

What happens to Blundstone Arena if the fan-facing cricket is taken away is a very good question. We have been working on it over the last 12 months. In the submission, we outline we were provided with a Government grant to have a look at what effect a new stadium might have on the business of cricket. It is unashamedly a very 'cricket' view, too. It is very much what our organisation might have to cope with. We have not completed that process yet, but we are a long way through. That is going to tell us what our future would be and plays into what is the future of the ground.

## PUBLIC

There is no doubt that the ground is an excellent cricket surface. That is highlighted by the fact we play international cricket on it today. It is certified by the ICC as a ground that can host international cricket.

**CHAIR** - That being the case, if the stadium wasn't to go ahead, for example, you are still confident you could attract ICC events and the fan-facing events, as you call them?

**Mr BAKER** - We could. One of the issues we have, though, is that we are restricted in crowd numbers - as we saw through the Ashes, we could have sold out three Ashes games in a row. The right content, and the stadium is not big enough. We probably do suffer and don't get the level of content we could get through international cricket, because they choose to go to venues either better equipped or that can hold more people and have a more profitable outcome for cricket in general.

We will always be restricted to the quality of the event we can have; however, the ground is certified by the ICC to play international cricket.

**CHAIR** - I could be wrong on this and you would be much more closely involved than I am; but when the decision was to have an Ashes match in Hobart, we were still dealing with the COVID-19 issues. I understood it to be, in part, a response to that. In the absence of a similar pressure - hopefully, we don't have to face one again, but ultimately, we will at some stage - if that was the framework under which that decision was made, and that no longer is a matter that would encourage that sort of game to come to Tasmania, are we likely to attract them, even with a stadium?

**Mr BAKER** - I think our chance of attracting them is significantly greater than it is today. If we had a 20,000-seat stadium, obviously you can put 20,000 people in it. The economic return is completely different than a stadium, as you say, when we were the beneficiary of someone else's misfortune. Western Australia were unable to host a test match and there was pressure applied. They could have run two test matches at the MCG or in Adelaide. We kind of got that test match because we put some pressure back on Cricket Australia to provide it to Tasmania.

If we've got a stadium that would better cope with fans - whether that's just the experience and/or the number - I think we are in a better position to attract the product.

**Dr BROAD** - What is the absolute maximum capacity at Bellerive at the moment?

**Mr BAKER** - Seated, it's 11,000. Standing, is up to 16,000. For 16,000, you would use the hill - for example, one person per every 3 square metres during COVID-19, and it's one person every 1 square metre outside COVID-19.

**Dr BROAD** - What's the biggest crowd you've ever had into Bellerive?

**Mr BAKER** - Through the Ashes we got 16,000. We filled it to capacity.

**Dr BROAD** - What you're saying is, those 4,000 extra seats, and 23,000 is the proposal for the new stadium. How difficult would it be to upgrade 7,000 seat into Bellerive, if that's what you want, rather than having to have an entirely new stadium?



## PUBLIC

**Mr BAKER** - It is probably impossible to do it at Bellerive without disturbing the housing around the outside of the ground. That is probably the biggest restriction with Bellerive.

**CHAIR** - What do you mean, disturbing the housing around the outside?

**Mr BAKER** - If you are going to put a stand over where the hill is, for example, it would be going out over the road to get the right elevation. That has been looked at by different people over the journey. If you can get the residents to agree to some kind of disturbance to their land, I think you could probably do it. At the moment it is just not suitable to be building any more stands. That's why they are all around the other side of the ground.

**Mr WILLIE** - There's a performance centre that's part of the proposal; it's not directly in the terms of reference but it could possibly have Bellerive's involvement. You've got a performance centre in there for cricket. Has there been any discussion about an AFL performance centre going into Bellerive, as part of its future?

**Mr BAKER** - Not directly with us. We've got our own plans for a performance centre, as highlighted in the document. We're currently the only state that doesn't have a single use access to their facility. Obviously, we share with football, which is not ideal. When Blundstone Arena was designed, we had 20 male players. We now have 59 players of both genders, and we have pathways with over 100 boys and girls in them. The facility, even for us, is stretched. So, we are looking at that whole environment on whether Blundstone's going to be fit for our purposes into the future as well.

**Mr WILLIE** - There're expansion opportunities there for you, potentially, in terms of your performance needs?

**Mr BAKER** - At Blundstone? That work's not completed, but not without huge works having to take place.

**Dr BROAD** - In terms of logistics - let's say the stadium gets built and you want to play cricket there. Would you be envisaging that BBL, WBBL and Sheffield Shield for both genders, would be played at that stadium?

**Mr BAKER** - No.

**Dr BROAD** - You'd only see drop-in pitches for BBL?

**Mr BAKER** - Fan-facing cricket.

**Dr BROAD** - They would have to be drop-in pitches and the like?

**Mr BAKER** - Correct. Unless, through the design, they decide to put a wicket block in the ground.

**Dr BROAD** - Right.

**Mr BAKER** - And that is really a design issue, I think.

## PUBLIC

**CHAIR** - Have you had discussion with the Government about that?

**Mr BAKER** - We have had discussion about what the ICC requirements are for the ground and we have provided that to the Government. That can be dropped-in wickets or wicket block.

**CHAIR** - When did you provide that information to them?

**Mr BAKER** - Good question; post-Christmas? I could not put my finger right on the -

**CHAIR** - Did you also make a similar body of work or request available to them, when it was proposed at Regatta Point?

**Mr BAKER** - No, it has been recent.

**CHAIR** - Why wasn't it an issue when it was proposed at Regatta Point?

**Mr BAKER** - Because we were not in that level of detail. Really, there is a concept for the stadium. Our chairman, David Boone, accredits stadiums for the ICC. So our conversation was 'by the way, as you are going through the design process, if you want cricket in here, this is what the ICC will need'.

**CHAIR** - Do you know if that has been factored into the business case?

**Mr BAKER** - No.

**CHAIR** - You don't know, or it isn't?

**Mr BAKER** - No, I don't know.

**Dr BROAD** - You talk about requirements for cricket. We are talking about a roofed stadium here now, too. How high has that roof got to be off the pitch surface?

**Mr BAKER** - I can't answer that.

**Dr BROAD** - Do you know how high the other roofed stadium in Australia is?

**Mr BAKER** - No, I don't. The ICC regulations will dictate whether you can play cricket underneath a roof or not. That will not be a decision made by Cricket Tasmania.

**Dr BROAD** - Do you know what they are? What the height requirements are?

**Mr BAKER** - The exact parameters? No, I don't know.

**Dr BROAD** - What is the height of the light towers at Bellerive?

**Mr BAKER** - I don't know.

**Dr BROAD** - Because with a stadium, obviously, the higher up you go, you are increasing cost.

## PUBLIC

**Mr BAKER** - Modern stadiums don't have light towers.

**Dr BROAD** - Well, the lighting has to be 35 metres off the ground.

**Mr BAKER** - Perth Stadium, for example, has no light towers. All around the perimeter it has what they call in-bowl lighting.

**Dr BROAD** - So they are talking, what, 35 metres?

**Mr WILLIE** - If you enclose the roof.

**Dr BROAD** - If you enclose the roof; it is 35 metres off the pitch?

**Mr BAKER** - I'm not across the technical detail.

**CHAIR** - In terms of giving advice to the Government about the ICC requirements, if it is going to be a roofed stadium, obviously test matches are played during the day, but BBL is not. Is that an issue you need to be across? Certainly, the Government needs to be across it.

**Mr BAKER** - Absolutely, in terms of design.

**CHAIR** - So, we don't even know what the requirements might be to have international cricket at a roofed stadium with lights, from an ICC perspective?

**Mr BAKER** - The ICC requirements lay it out pretty clearly. They have been given those. But, then you have to come in with practice nets - there is a whole raft of things that go with it. Practice facilities. There are integrity facilities that need to be part of the setup as well. There is a whole raft of things, it's not just the height of the roof.

**CHAIR** - Can you provide any information from the ICC about this? What the requirements would be under a roof with lights, in terms of the height, that the ICC would deem to be suitable?

**Mr BAKER** - The current ICC conditions are that you cannot play test cricket under a roof. Those are the current conditions. That is pretty clearly outlined.

**CHAIR** - This is under a fixed roof?

**Mr BAKER** - Yes.

**CHAIR** - Or one that could close, but you would open it if that was the rules. So, here we are, where the Government proposed a fixed-roof stadium and, currently, the ICC requirements to enable an Ashes game -

**Mr BAKER** - Or test match cricket

**CHAIR** - Test match, or even BBL -

**Mr BAKER** - No, BBL isn't the same.

## PUBLIC

**CHAIR** - Okay; so a test match can't be played in it?

**Mr BAKER** - That's right.

**Dr BROAD** - Unless the ICC come up with different -

**Mr BAKER** - Yes, unless they change those conditions - which they are always reviewing - but, at this stage, you cannot play test cricket with a roof on.

**Dr BROAD** - What about one day cricket?

**Mr BAKER** - You can't play official one day cricket games under a roof at this stage, either.

**Dr BROAD** - So, the two international drawcards that we have been talking about bringing to a new stadium, as it currently stands, cannot be played under a roof.

**Mr BAKER** - Under a fixed roof,

**Mr WILLIE** - Our proposal is for a fixed roof.

**Mr BAKER** - We have not been party to the design yet. So, from our perspective, is it a fixed roof?

**CHAIR** - Well, that's what the Government made pretty clear in the hearings we have had.

**Dr BROAD** - Transparent fixed roof.

**Mr BAKER** - From a cricket perspective, we put forward to them what is required during the stadium design to play cricket there.

**CHAIR** - Have you informed the Government the ICC rule is you can't play international cricket under a fixed roof?

**Mr BAKER** - You can't play test match cricket or one day in a national under a fixed roof.

**CHAIR** - This is the fan-facing events we are talking about.

**Mr BAKER** - Yes, we are also talking about Big Bash League cricket. It isn't all cricket, but it is a component of the cricket.

**CHAIR** - Do you understand whether the Government, in the 44 events they are counting a year, include Ashes or one day international cricket?

**Mr BAKER** - No; I'm assuming they have counted up what they can and can't do. We have only recently provided the ICC regulations, as I said, just after Christmas.

**CHAIR** - Can you provide the Committee with a copy of those regulations?

## PUBLIC

**Mr BAKER** - Yes, we can do that.

**CHAIR** - Just put that on notice, thanks. Do you know exactly when you provided that advice?

**Mr BAKER** - I can get that date.

**Dr BROAD** - Did you proactively provide that, or was that part of a consultation?

**Mr BAKER** - We have been meeting with Government on a range of issues over a long period and it's just through the conversations we have been having. Updates on the stadium have been part of that and we have provided that information through one of those conversations.

**CHAIR** - Did you want to go somewhere else?

**Dr BROAD** - One hand off the roof.

**CHAIR** - You were talking earlier about the work you were doing on the future of Blundstone Arena. When do you expect to have that completed?

**Mr BAKER** - We are hoping to have it completed by the end of the financial year.

**CHAIR** - And you will then provide that to Government? What is the plan?

**Mr BAKER** - Yes, that's the plan; it has to be provided to Government.

**Dr BROAD** - Is that via public document at the time, or is that up to Government?

**Mr BAKER** - I'm not sure on that. I think it would be up to Government, but...

**Mr WILLIE** - Does that work include a co-sharing arrangement, potentially with an AFL Tasmanian team, until a stadium is built?

**Mr BAKER** - It is a cricket view of the world.

**Mr WILLIE** - Purely a cricket view; so, there is no interim sort of view?

**Mr BAKER** - No, it's very much a cricket view of the world. You have to take into account the stadium is part of our operating model. We operate the stadium, we own the buildings, we lease the ground and have a whole structure based on the revenue and everything that comes through that. It has been as much understanding what the impact of the cricket balance sheet is as it is anything else.

Also, falling out of that, is what will our future requirements look like from a high-performance perspective; but, at the moment, it's part of our business model to own and operate a stadium.

## PUBLIC

**Mr WILLIE** - And you are doing part of this work with the proposal to hand it over to Stadiums Tasmania?

**Mr BAKER** - That is one of the options; but given we have to assess that and see whether that is right for cricket, yes.

**CHAIR** - The work you were just referring to, is that the Ernst and Young report, or a different body of work?

**Mr BAKER** - No, that's a different body of work. We were funded by the Government to do a report with Deloitte on the impact of operating and owning a stadium versus not doing that.. That work started-

**CHAIR** - That was the Deloitte assessment and Waypoint analysis?

**Mr BAKER** - Correct.

**CHAIR** - That the same body of work?

**Mr BAKER** - That's the same body of work, yes; two pieces of the same work.

**CHAIR** - And the Ernst and Young work you are doing here hasn't been released yet? Your submission says Tasmania hosted nine matches in an International Cricket Council (ICC) Men's T20, World Cup 2022, played at Blundstone Arena and the economic impact and broader benefits assessment has been undertaken by Ernst and Young and not yet released. What does that work relate to?

**Mr BAKER** - That is to the exact economic impact that running those World Cup games had for the Tasmanian economy.

**CHAIR** - Okay; so, these are the ones that can't be played under a fixed roof.

**Mr BAKER** - Potentially, yes.

**CHAIR** - You did say you could provide this report on a confidential basis to the Committee, is it available yet?

**Mr BAKER** - Yes.

**CHAIR** - Could you put that through to the Committee?

**Mr BAKER** - Yes, absolutely.

**CHAIR** - I'm trying to understand which report is what. The Deloitte and Waypoint analyses, were they commissioned by the Government for you to do?

**Mr BAKER** - No, they are commissioned by us and funded by Government.

**CHAIR** - Is that why they're being provided to the Government?

## PUBLIC

**Mr BAKER** - That's right. It is part of the grant deed.

**CHAIR** - How much is that costing?

**Mr BAKER** - \$145,000.

**Mr WILLIE** - Perhaps Cricket Tasmania might come back in when some of that work has been completed and we have a bit more of an understanding of what that work entails.

**Mr BAKER** - Yes.

**CHAIR** - If you can notify the Committee when that report is available, or when you receive and hand it to Government.

**Mr YOUNG** - We have seen the success of the JackJumpers. How do you think a new stadium would affect junior cricket, cricket participation coming through, or is that in conjunction with the possible redevelopment of Blundstone and a higher performance? Can it help? Can it hurt?

**Mr BAKER** - Yes, absolutely. What we are looking at is the more fans you get to the cricket, the more the young kids see their heroes, the more they are welded onto the game. We see it as a very important part of building participation and a conversation we've been having over the last week as we are preparing for our strategic review. They certainly go hand in glove. You have to be able to not just provide opportunities for young kids to sample the game, you then have to show them what great looks like.

The reality is that the expectation of the fans has changed and they are expecting different levels of comfort. They expect different levels of viewability, and sitting on the hill - although it has its charms - is probably not the greatest family experience that it used to be. Similarly, with your ability to cater in a more family-friendly way, new stadiums tend to have the ability to do that and they tend to have great effects on the amount of audience that turns up, which has an on-flow to participation.

**Mr YOUNG** - You see Blundstone being very much used and part of the future?

**Mr BAKER** - Yes. We are trying to determine where that sits for cricket. I couldn't answer what it means for other sports but certainly, we are looking at what would that mean for cricket. It is a great cricket surface; it's our traditional home. There are a lot of upsides in potentially staying at Blundstone. Similarly, there is an upside in moving away from Blundstone for us too, but that's all part of the work we are doing at the moment to properly understand that.

**CHAIR** - Going back to your submission, you talk about more work to be done, the design detail, and you said that cricket has a range of particular operational requirements related to match staying, cricket security, integrity, broadcast - amongst other things- that differ to Australian Rules Football. What sort of things are different?

**Mr BAKER** - The game usually runs at a different angle to what football runs; football runs that way and we potentially run that way. That means broadcast has to shift around. When you are designing the stadium, it needs to be designed with a view you are going to broadcast

## PUBLIC

cricket. Cricket has the most arduous broadcast requirements of any games. Something like 40 cameras cover a game of cricket, whereas other field sports don't have those requirements. It then has flow-on effects - where do you put your coaches' boxes, where do you put your viewing areas, where do you put your team dressing rooms; all that type of stuff.

The integrity piece is important because we have to have exclusive entry for players. They have to be far enough away from crowds so the integrity of the game cannot be breached, as in, someone sticks their head over the fence and says, 'I am batting at 3 instead of at 5' and that might have some determinable outcome with the game. People could take advantage of that. Players are not allowed to have mobile devices or electronic devices at all and those areas are sacrosanct. Players come in and they put all their phones in a locked box because that protects the integrity of the game. You need to have those environments. If you are building something new you would want them at the onset, not retrofitted at the back end.

**CHAIR** - Some of those are quite expensive requirements in terms of the extra cameras, perhaps an entirely secure entry -

**Mr BAKER** - The camera stations are probably the thing. The cameras are provided by the broadcasters. They just need the ability to get to the spaces they need to be in. I think that is a level of detail that has not been discussed as yet.

**CHAIR** - We don't know the cost of these requirements - to have a stadium or a facility that can do international cricket - notionally, if you can play under the roof; Australian Rules football at AFL standard; a music event or some other event like that - a musical event requires different lighting and staging and all that sort of stuff, too. Are you aware of whether these additional requirements that are all unique are factored into the business case at all?

**Mr BAKER** - No. I don't know whether that level of detail has been done.

**CHAIR** - Have you provided evidence or information to the Government regarding the specific requirements?

**Mr BAKER** - No, we haven't.

**CHAIR** - Would they be aware of them?

**Mr BAKER** - I think they'd be aware of them. If they have been doing any due diligence around, say, Perth Stadium, they've just gone through exactly the same thing. They treat that stadium not as a football ground. It is an entertainment precinct for them, so it comes with all the bits and pieces that go with it.

Cricket Australia has worked hand in glove with developers on this stuff for quite a while. It would be pretty unusual when you get right into design if some of the tenants aren't actually consulted on what their requirements were. But at this stage, I am not aware that there is that level of detail being requested.

**CHAIR** - Sure.

**Mrs ALEXANDER** - Thank you, Dominic, for the information. Chair, may I ask a question?



## PUBLIC

**CHAIR** - Yes.

**Mrs ALEXANDER** - You mentioned quite a number of aspects of what is required in order to have a game of cricket played, which was very interesting for me. We know there was a Price Waterhouse Coopers report done about the stadium - the revenue, the matches, the games, the entertainment and everything else. Were you ever contacted by anybody from PWC just to get a bit of a level of understanding about the games, the complexity and all that?

**Mr BAKER** - Not firsthand. I was part of a working group that has met twice and we were given previews of the PWC work. That is the largest extent I've had any involvement in that.

**Mrs ALEXANDER** - You are not aware of what sort of questions were asked of your organisation in terms of gathering information to be transferred into the report? What type of questions would have been asked?

**Mr BAKER** - No, I'm not aware of any questions that have been asked.

**Mrs ALEXANDER** - Thank you.

**CHAIR** - I don't have any further questions. Is there anything you want to add in closing that you haven't told us about?

**Mr BAKER** - I don't think so. It was all captured in our submission. We're working with the Government on the prospect of the stadium. We've got a very open mind to that. For us, it's got to be what's best for cricket. We'll keep going through that process to understand what that looks like.

**CHAIR** - One other point. In terms of the ICC rules currently, you can't play under a roof. Some level of cricket can't be played under the roof. What's the process for changing the rules?

**Mr BAKER** - The ICC needs to change that.

**CHAIR** - What's the process for that, do you know?

**Mr BAKER** - I don't know. It would take countries to start to say 'we want to play our cricket in a different environment'.

**CHAIR** - How many countries are we talking about would have to agree?

**Mr BAKER** - I couldn't answer with any great accuracy. The ICC is a beast of its own.

**Mr WILLIE** - One of the aspects of Test Cricket is all the variables of the weather and the way the ball swings; it would impact all of that.

**Mr BAKER** - Which is why I suggest you can't play it under a roof, at this point. But the game does change very quickly as well.

## PUBLIC

**Dr BROAD** - You never used to play it under lights.

**Mr BAKER** - No, that's right. You wouldn't say it's never going to happen, but at this stage we can only work with what we've got.

**Dr BROAD** - At the moment it's Women's One Day Internationals and T20s and stuff as well.

**Mr BAKER** - Yes. T20 is different because they do that differently. I couldn't answer you with confidence on the T20 piece, whether that can be played under a roof or not. But certainly, One Day Internationals and Test matches are set up differently; they have a ranking process that goes with your performance in those games and that's another reason why everything has to be relatively equal. And so, playing inside an environment that's different than other environments, could potentially affect the ranking.

**Dr BROAD** - How many BBL and WBBL homes games are there a season, as it currently stands?

**Mr BAKER** - Currently seven each. The women's does operate a little differently, but both those numbers are under review at the moment, so they could be down to five. With the women's competition they tend to run what we call Festival Weekends, where you play a bunch of games and some of those games might not involve the Hurricanes - they might involve two mutual franchises. That is a costs thing. So, you bring a bunch of teams in, play a bunch of games and then go. We might play six games over a weekend, but only three of those are Hurricanes games. That does vary. That's all being reviewed now as part of Cricket Australia's new broadcast contract.

**Dr BROAD** - In this report is a cost benefit analysis. It talks about four games of BBL and four games of WBBL.

**Mr BAKER** - Yes, that's at the minimum.

**Dr BROAD** - That's a minimum. How would that go with managing pitches and so on?

**Mr BAKER** - No issue with drop-in pitches. We play currently at UTAS on drop-in pitches. They've got three there; gone from one to two to three over the time period. We have played WBBL and BBL there. We also play grade cricket with the Greater Northern Raiders, which is the team that represents the north in our CTPL competition. We use those facilities there; they were fine.

**Dr BROAD** - How does it work, with a drop-in pitch?

**Mr BAKER** - It grows in a cake tin. That's the description that was given to me by a curator, so I'm not pretending to be an expert in curation. It's grown off-site, in clay. A wicket is clay, it's not dirt. They put the clay in a big cake tin and they cut a square out and drop the cake tin in.

**Dr BROAD** - It's just a pitch?

## PUBLIC

**Mr BAKER** - It's just a pitch. If you looked very carefully at UTAS, you would clearly see the definition between one pitch and another. It's not because one's rolled differently; it's because there is a line between them where they've been individually dropped in. I think probably at some stage all cricket will end up played on those wickets. We have a 10-wicket block at Blundstone Arena. There's one similar at The Gabba, and a similar one at the Sydney Cricket Ground. The others are all drop-ins.

**Dr BROAD** - In term of the requirements of practice pitches and so on, are they on the field, off to a section of the field?

**Mr BAKER** - Preferably not. They are separate. A good example is to look at Perth Stadium. I don't know whether you've done any research on other stadia since you've been in this position, but have a look; they've got nets external to the building. I'd be guessing, but I'd say it's about 20, because you don't use all of them at once. You might have five of those up at a time and you would rotate five, five, five.

**Dr BROAD** - Presumably under the same condition as the pitch?

**Mr BAKER** - They're on a wicket block there, they're not drop-ins. A little different, but you would need to be able to do preparation for the game at the ground, on turf. You couldn't do it in an indoor centre on carpet, for example.

**Dr BROAD** - So, there'd have to be some sort of provision for that?

**Mr BAKER** - Currently at Marvel Stadium, the practice wickets are on the ground and they do their warm-up. If they want to do 'hitting up', as we call it, they will do that on the ground.

**Ms WEBB** - To come back to Lara's question about the PWC report that had the modelling in it around the 44 events. Included in those events is an element of international cricket which, as you've described, requires no roof, to be played. I wanted to be ultra-clear. You were given a preview of this report. You didn't provide information into in the first instance but were given a preview of the report.

**Mr BAKER** - I sat in at a presentation of the report-back to a various group of stakeholders. It was at a subsequent meeting that David Boon and myself spoke to the Premier and a group of advisers about a roof meaning no international cricket.

**Ms WEBB** - That came up at a subsequent meeting after you'd been given a preview of this report?

**Mr BAKER** - Correct.

**Ms WEBB** - Okay. Do you know now whether that's been factored into the ongoing plans for the stadium, and if there's been any reassessment of an economic analysis that's potentially without those international events, if a fixed roof is the plan?

**Mr BAKER** - No, I don't.

**Ms WEBB** - Thank you.

## PUBLIC

**CHAIR** - Do you have the date when that meeting occurred?

**Mr BAKER** - I could get the date, yes. I'll have to go back through the calendar but I can find it.

**CHAIR** - That would be good. We'll ask for that the for meeting regarding the PWC report. Who was that with?

**Ms WEBB** - Thank you.

**Mr BAKER** - There was a raft of stakeholders at that meeting. There would have been 20 people there in the Premier's office.

**Ms WEBB** - Sorry, your answer to me a short while ago: was it at that presentation meeting that you raised the fact that a fixed roof wouldn't allow for those games?

**Mr BAKER** - No, it was a subsequent meeting post the larger meeting, which was just a Cricket Tasmania meeting with the Premier and other stakeholders.

**Ms WEBB** - The date of that meeting would be particularly useful, thank you.

**Mr BAKER** - Yes, absolutely.

**CHAIR** - So, the briefing and then the follow-up meeting - two dates.

**Mr BAKER** - Yes.

**CHAIR** - Is that all? Thanks, Dominic, we appreciate your input. I've learnt a bit about cricket.

**Mr BAKER** - Drop-in wickets in particular.

**CHAIR** - Yes, and the cake tin. My dad would be horrified. He was the Riana legend.

**Mr BAKER** - Was he? He would definitely not enjoy the cake tin wicket then.

**THE WITNESS WITHDREW.**

# PUBLIC

**Mr RICHARD WELSH**, MANAGING DIRECTOR, EPIC EVENTS AND MARKETING PTY LTD, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Ms Forrest) - Welcome. We have two members online - Meg Webb, MLC and Lara Alexander, MP. Other members are myself - Ruth Forrest, MLC; Josh Willie, MLC; Shane Broad, MP; and Dean Young, MP.

Some information about the process of the Committee hearing - it is a public hearing and is being streamed live. You are afforded parliamentary privilege while you are giving evidence to the committee. If there was anything you felt was of a confidential nature and wished to provide that information in camera to the Committee, you can make that request and the Committee will deliberate on that; otherwise it is all public. It will be transcribed and the transcript will be published on the website when it is available.

**Mr WELSH** - Thank you for taking my submission. I have a couple of minutes of notes I would like to speak to in addition to that.

First of all, you might be surprised to have someone who runs a sport event management company in Hobart sitting in front of you, suggesting a massive investment in a sports venue in Hobart is a bad idea; but here I am.

The overarching theme I would like to make to you today is 'what about other sports?' I would also like to seize a moment and challenge the Tasmanian Government to be a bit more creative.

A short summary of my experience for your benefit, to give you a little bit of context about me and a bit of background: I moved to Tasmania in 2006 to be the development officer at Athletics Tasmania. Since then, I have worked here in Athletics Australia on three occasions for various projects; was the executive officer of Athletics Northern Territory; the CEO of Football Federation Tasmania and the Tasmanian Olympic Council. In 2015, I started my own company, Epic Events and Marketing, which still runs today. I have a couple of staff, and we organised Think Big Run the Bridge; the Strait Link Burnie 10; and the McGrath Launceston Running Festival. I have also been a promoter of the Tasmanian Christmas carnivals for the past eight years, and the Tasmanian representative on the board of School Sport Australia for three years. I have worked at countless local, state and national championships in a variety of sports for the past twelve months, and I finished my contract today. I was the general manager of the World Athletics Cross Country Championships, which were held in Bathurst last month. My next event is the Southern Inter High Athletics Carnival on Monday. From a world championship to a local carnival, I've done many of them.

Let me add some figures to support my submission. First of all, the inequality towards funding for the AFL. When I refer to the AFL, I mean the national league, not necessarily the local competition. Obviously, it's a sport and a league, so my references are mostly to it as a league. My figures that I found on the existing expenditure on the AFL by the Tasmanian Government are that Hawthorn and North Melbourne deals have a combined worth of around \$8 million a year; the Task Force for AFL, looking into an AFL team for Tasmania: \$1.25 million; and the funding for AFL Tasmania at \$500,000.

# PUBLIC

In contrast, the Tasmanian Institute of Sport receives \$2.9 million. I speak specifically on athletics, because I'm familiar that, and manage a couple of athletes who had TIS contracts. The current athletics contract is budgeted for \$45,000; it blew out to \$75,000 this year to cover 10 athletes. The \$75,000 includes the staff cost for travel, car, mobile phone, etcetera. It does not include the wages of that staff member. By the time you take all of that, about \$25,000 is shared by 10 athletes and these are the best Tasmanian athletes: Stewart McSweyn, Jack Hale, Milly Clark, Hamish Peacock. That is to support them for medical and travel - \$2,500 per athlete.

Further, 34 sporting organisations across Tasmania share \$1.195 million. Those sports include: athletics; cycling; badminton; bowls; canoe; equestrian; golf; gymnastics; hockey; orienteering; rowing; surf lifesaving; rugby; sailing; softball; surfing; swimming; table tennis; tennis; tenpin bowling; touch football; triathlon; volley ball; and others, share \$1.195 million. AFL gets nearly \$10 million.

The participation data from AusPlay in 2022 shows that for 15-year-olds and over in Tasmania, the most popular sports are swimming, running or athletics, and cycling. However, there are only three athletics tracks in Tasmania and trying to book the Domain Athletic Centre for Term 1 next year is near impossible. It is booked out, and I am trying to get it for a couple of carnivals. Earlier this week, the Northern Sports Association of Tasmanian Independent Schools Carnival was cancelled in Launceston because there was no shelter for the official spectators or athletes there.

There is one indoor cycling velodrome and there is no outdoor velodrome suitable for UCI standards. There is a number of swimming pools; however, swimming pools are too expensive for most schools to hire and Government schools get two weeks a year in Grades 3, 4, 5 and 6 to teach kids how to swim. It's not until you are nine that you get any training to learn to swim. I have a five-year-old girl, and she goes to Learn to Swim; and it's only because we have the means to do that. How many Tasmanian school children don't learn to swim?

In contrast AFL already has a massive footprint in Tasmania. According to their own AFL Tasmania facilities audit in 2019, they have 92 venues with 105 playing fields. There are already AFL quality playing surfaces. I admit these would not include broadcast or change room facilities in all of them, but the playing surfaces are bragged about - Blundstone, UTAS, Penguin, West Park, Twin Ovals, Glenorchy, Brighton, North Hobart and possibly others that I am unaware of.

**CHAIR** - The gravel oval in Queenstown would be one!

**Mr WELSH** - Sure, indeed. One of the 105. Tourism is spruiked as a major benefit of the AFL stadium at Macquarie Point, but AFL is not a new market to Tasmania. Every AFL fan in Australia already knows about Tasmania and a stadium or Tasmanian team is not going to get any new fans into the sport. National matches have been played here for decades with plenty of opportunity for AFL fans around Australia to visit Tasmania should they want to. 2.96 million watched the AFL Grand Final last year live on TV. Based on this ratio, under 60 000 Tasmanians watched it - around 11 per cent - yet AFL receives an exorbitant sum of money and attention from our Government.

Yet, this continues, with money proposed for a new team and stadium. The Tasmanian Government committed up to \$375 million to the stadium plus \$50 million to start

## PUBLIC

up a team and \$12 million per year. Remarkably, when the \$10 million was initially offered and the AFL said that is a good start, we were able to find another \$2 million somewhere which was almost double the budget of every other sport in Tasmania. Whereas, Tasmania produced nine Olympians for the Tokyo Olympics in seven different sports whose collective State Government funding was \$238,000. I challenge the Tasmanian Government to be more creative with the spending of infrastructure money in sport.

Australia is hosting the 2023 FIFA Women's World Cup, the 2026 Commonwealth Games, the 2032 Olympic Games. There will be other lead-up competition opportunities for Australia, but none of these need a massive oval. We have two, and neither have been successful in hosting any nations pre-major championships in recent times, including the 2015 Asian Cup. When we were looking to have UTAS shortlisted for that, when I was a CEO there at the time. The venues weren't suitable because they weren't rectangle, not because we didn't have beautiful grandstands. If Tasmania wants to be considered on the world sporting stage, I believe we need to invest in indoor sports stadiums; rectangle sports stadiums; cycling courses; athletics tracks; multi-purpose sports grounds; swimming pools; community sporting centres; coaches; administrators to run competitions, and have much less reliance upon volunteers.

If that sort of money is available, imagine the type of events we could have. Aim for a variety of events, such as more Australian championships. The Australian Track and Field Championships started in Brisbane yesterday, and Tasmania would not be able to host that because our athletics facilities aren't good enough. The Pacific School Games - School Sport Australia no longer offers billeting so parents have to stay. It gives you a massive return on investment when you have the child and parents travelling as well, so the tourism dollars are double. The Australian Masters Games, Australian University Games, Commonwealth Youth Games, major golf tournaments, Summer Deaflympics, Gay Games, Invictus Games, International Sport Federation, Nitro Events, or create new events. There are hundreds of global events that we could have in Tasmania, if we had access to this hundreds of millions of dollars of money that we are proposing to spend on infrastructure.

As general manager for the World Cross Country Championships in Bathurst recently, we worked closely with Destination New South Wales, which is the equivalent of Events Tasmania. For a modest investment, to stage a world championships in the regional town of Bathurst, I can share with you the following figures: 3 million watched the global broadcast live - more than the AFL Grand Final, despite it not being in a friendly timeslot for international markets; 16.6 million digital impressions over the course of the weekend; 3,095 media clips; a combined reach of 5.77 billion as reported by media analytics company Meltwater; and, 5,394 people travelled from out-of-region to attend the event, spending an average of two nights. So, a significant return on investment and eyeballs on Bathurst. The crowd did not sit down in grandstands drinking beer, eating pies and chips either. There were 40 different events and 2km of course they could freely move around to spectate from. It was a wonderful sight to see such an aerobic audience.

Some say that having professional sporting teams in Tasmania has been great. However, they have made the environment extremely tough for community sports and sports that I am directly involved with. Since the Hobart Hurricanes and Tasmanian JackJumpers came to Tasmania, there has been an increase in participant expectations at events. How community events can compete with the event presentation budgets and expertise at these events; it's simply not possible.

## PUBLIC

There has been a greater statutory and reporting requirement in recent times. Permits required, COVID-19 has hurt us, less police are available for public road closure events since the Dunalley Bushfires in 2013. There has been a significant drop in the media coverage for community sport. The *Mercury* used to have weekly columns in local sports like swimming, athletic, golf, touch football, bowls. I was the athletics guy for five years there and those roles no longer exist. You look in the paper today, there is five pages of AFL. There is a challenging sponsorship environment. For many, sponsors and corporate boxes sold at professional games used to be money spent in community sports.

A couple of summarising points. International broadcasts sell Tasmania for the events that I am talking about. AFL games, in my view, don't. Tasmania having an AFL team is not a dream of all Tasmanians - only some. AFL fans are likely to come for a night or two; internationals will come for a week or two. Relativity to economic gain: representative schools are strong yielding, as I pointed out, with no billeting allowed any more, and, investment in community sports helps curb national obesity, mental health, and social inclusion issues.

There is a massive inequality already in funding towards AFL at a national level. We need to build for more sports and venues for Tasmanians of all abilities to participate, not just the pointy end. If Tasmania does go ahead and build this stadium, it must also invest significantly in other sports in Tasmania to increase participation and limit dependency on already stretched resources. A building does not coach an athlete, and we need to invest in more people doing sport, not watching it.

**CHAIR** - Thank you. There's some pretty compelling figures there. Just to lead off in terms of reference around the proposed stadium, I appreciate that background, looking more broadly and other opportunities. If a stadium was to be built, whether it is Macquarie Point or elsewhere - but at the moment we are looking at a stadium at Macquarie Point which is roofed and has 23,000 seats - what sports could use it other than AFL that you have been involved in?

**Mr WELSH** - We heard earlier that cricket thought they might, but perhaps they may not be able to -

**CHAIR** - Not for international matches.

**Mr WELSH** - Certainly, domestic you would think. The way to answer that would be to look at what other sports and events use Blundstone Arena and UTAS Stadium already. There is not many. There is a gala soccer carnival at UTAS Arena once a year, but beyond that I don't believe there are many community events held at those two stadiums so I don't understand how this would be any different to that.

**CHAIR** - You've talked about the national athletics carnival held in Queensland. The athletic centres at Dial Park, St Leonards and the Domain are all reasonable facilities but are obviously not up for that level of competition. How much would be required to get them to that point? We are talking about \$375 million here, plus on costs that you've already described. What would it take to upgrade one, two or three of those facilities just for that purpose?

**Mr WELSH** - The main thing is that you would need a second track for a warm up venue. Sydney, Melbourne, Brisbane, Perth have those. The recent Australian All Schools Championships which were held in Adelaide - that's just been refurbished. You're looking to have seating for around 3,000 to 5,000 people available. Far more change rooms, change rooms



## PUBLIC

for a thousand competitors. We don't have those at any of our venues in Tasmania. We've certainly got some really nice boutique races and venues, and I was there when Stuart McSweyn ran the world's fastest ever mile in 2021. We put on that event in Penguin and it was beautiful and it was known for the fast time in the world ever, at a track named after a bird. It really put Tasmania on the map globally, but you would need changeroom facilities, spectator facilities, and another warm-up track. You'd get a really nice one for \$375 million.

**CHAIR** - Just one? That wouldn't build three?

**Mr WELSH** - They would need two athletics tracks: one for the main competition and one for warm-up.

**CHAIR** - Are you saying you could only upgrade one facility to that level?

**Mr WELSH** - That's correct. I think the Tasmanian athletics community would accept one of those to be upgraded.

**Dr BROAD** - You spoke about a lot of different events. Do you think if this stadium goes ahead and we get an AFL team, that there will be syphoning from other events?

One of the things that they are saying is there will be 44 events in that stadium over a year. What impact will that have on the ability of other events to go ahead? Would there be a syphoning impact where all the money goes into those events?

**Mr WELSH** - My personal take on this is that if the Government funds this stadium then the Government also funds Events Tasmania. There is going to be an expectation that we get bang for buck and return on investment of this new stadium. I would be concerned about what additional money is going to be spent on any other events that - as you say - might be otherwise syphoned off. Will there be the same amount of content in all the other venues or will the money in the Events Tasmania attraction fund be used to bring new events to this stadium? I would say that there would be unless there was new money.

**Dr BROAD** - One of the major themes here is opportunity costs. What's the opportunity you're losing by not spending that money on something else? You also talked about community spending. Are you familiar with what's happened in Iceland where they did have a big program of investment in coaching and venues and so on, at that community level?

**Mr WELSH** - Not with the Iceland model. No.

I am aware of a number of other models around the world where they have event attraction funds, but not the Iceland one.

**Mr WILLIE** - It is similar to Dr Broad's question, and it is related to term of reference number five. You've talked about the sporting landscape. Do you have concerns if the Government does invest \$460 million as a starting cost - but then potentially, is going to be \$21 million in borrowing cost every year - the impact that that will have on other sports? The Government is maintaining it can do both, it can do community sports and elite sports. Do you have any concerns about the sheer quantum of funding plus ongoing borrowing costs, and what sort of impact it will have on the rest of the sporting landscape in Tasmania?

## PUBLIC

**Mr WELSH** - There is the Events Tasmania Program and that is supporting events, don't get me wrong. But the support for sporting organisations largely run by volunteers is significantly underfunded at the moment as it is.

For example, Athletics Tasmania gets \$30,000 a year and they are supposed to run programs for all their members and multiple venues and the likes.

Sorry, what was the question?

**Mr WILLIE** - Whether the sheer quantum of funding, the ongoing borrowing costs and the budget pressures for this proposed stadium, whether that is going to have an impact on other sports in Tasmania? The money available, whether you have any concerns on that or whether you think the Government can do both.

**Mr WELSH** - My big concern there is the Government will consider this stadium as spending money on sport. But it will not get Tasmanians doing sport. It will get Tasmanians watching sport. We have already 67.5 per cent of Tasmanians overweight or obese. This new capital expenditure will do nothing to achieve that; in fact, it will only encourage it because we will be asking people to sit down, watch.

Last time I went to a venue, I could not find anything healthy to eat or drink except for a bottle of water. It's only going to add to that obesity issue. I am very passionate about having more money for Tasmanians and people to do sport, not watch sport.

**CHAIR** - I know you are focussing on sports. Events management is similar, whether you are arranging a sporting event or an arts and cultural event, in some respects. There is obviously different equipment needed and all that. You talked about the events budgets, the money in the attractor activity in Events Tasmania. There is obviously a bucket of money for helping to fund events, but also to attract events.

It seems to me the business case would suggest the events that come, not AFL football, but events like concerts and that sort of thing, are going to be self-funding.

**Mr WILLIE** - Not some of the other sports.

**CHAIR** - I am talking about other events, not sports. Obviously, that will depend on the ticket sales. You can go to the MCG - I don't know how many Ed Sheeran had there, but it was like 100,000 – 200,000 or something ridiculous. You don't have to price your tickets as high to get your return. When you have a smaller stadium, even though its bigger than what we have, the price point is going to be higher for people to attend.

Do you think we are likely to see some of these events if we are able to attract them? The Government says we will attract all these fantastic shows, artists and other art and culture things. Do you think we are still going to need to have some sort of Government support to make it happen?

**Mr WELSH** - I think we will need a significant enhancement of the attraction fund that Events Tasmania and other State Growth bodies have in order to attract all these.

## PUBLIC

You are absolutely right. Let's say we wanted to bring Ed Sheeran here; I'm not a concert promoter, but there would be significant costs in doing so - the event presentation, the sound and lighting, the team is about eight semi-trailers.

**CHAIR** - The bump in, bump out is huge.

**Mr WELSH** - They have to get a ticket on a boat. I do not know if you have tried to get on the *Spirit of Tasmania* recently; you have to book a long way out. If he gets a sore throat and has to reschedule: chaos, and all of those sorts of things.

There would have to be a massive attraction fund, having been involved in paying appearance fees to high-level athletes in the past. You can't just put up ticket sales and hope they attend. The sponsorship market is truly tough in Tasmania. I am at the mid-level of sponsorship attraction and procurement in Tasmania for events, and it's getting much more difficult. These professional teams, which are great - I've enjoyed going to the Hurricanes and the JackJumpers - have raised the bar for everyone else. Not everybody is a full-time event organiser.

All of these 34 under-funded sporting organisations in Tasmania don't have full-time marketing or events people. They can't compete. They can't grow. By the time they have one member protection complaint that takes so much of their time each week, for example, before they deliver the services to all their memberships and fill in their Government reporting, they don't have the time or ability to put on major events. They can't afford to.

**CHAIR** - If we're to have 44 events a year - probably less a few international cricket events, but let's just say that's the number - and most of those are not AFL football matches, do you believe that the costings associated with the operating costs assume that all other events are self-funding? I just think we're going to have to handout...and whilst there's a figure here that says the cost to run it effectively - which, I would assume, that you have to count these events attractions costs, or sponsorship costs -

**Mr WELSH** - I'm close with Destination New South Wales, and they had a campaign recently to have 10 World Cups in 10 years. They have funded hosting of the FIFA Women's 2023 World Cup, the World Athletics Cross Country, the UCI World Road Cycling Championships last year, the FIBA Women's Basketball World Cup, the 2020 Cricket World Cup. These are events that Tasmania wasn't associated with at all. The New South Wales Government has contributed significant funding to those.

**CHAIR** - To attract them?

**Mr WELSH** - 100 per cent to attract them.

**CHAIR** - Have you any idea of the ballpark figure to attract those sorts of events?

**Mr WELSH** - I can get that to you. I can specifically speak to the events I was involved with, but the amount is under confidentiality. It's in millions of dollars to attract events like that to regional regions.

**CHAIR** - In addition to the operating costs of the venue.

## PUBLIC

**Mr WELSH** - That funding is used to cover operating costs of the event, which are expensive to put on.

**CHAIR** - Just the event, then. They're not the everyday costs.

**Mr WELSH** - Correct. Then you've got the Victorian Government contributing to the Commonwealth Games in 2026 - that would be a significant amount of money; the Queensland Government to host the Olympics. It is not just the case of 'build it and they will come'. These things cost money. You build a stadium and someone has to organise the event.

A guy like me is not going to come in and try to attract an event to Macquarie Point Stadium just because it's a beautiful stadium. I can go and put on a fun run up kunanyi, because it's a beautiful mountain, and it doesn't cost anywhere as much to hire as a stadium. You have to bring in a bit of extra equipment.

It is one thing to build it. It's another thing to maintain it. I haven't seen any of the modelling on that; but it's a lot of money to maintain these venues, and to bring the acts down. Sure, it'd help but it's going to cost a lot more money than the proposed figures put forward already.

**CHAIR** - That's your fairly well-informed view - that the business case that includes some of the ongoing costs, like the operation and maintenance and things like that, falls short of what you would expect, knowing what you know about events?

**Mr WELSH** - I can only speak to the events side of things, and what they can cost to deliver. I haven't been involved in major asset management. I've helped maintain a couple of Little Athletics venues, but they're not worth hundreds of millions or a billion dollars. Just a few millions. I don't know about that. But in terms of getting major promoters of music festivals and artists and things to come to Tasmania, some already come. But can they not already play in one of the venues we've got?

**CHAIR** - Not with the same size crowd, I think is the issue.

**Mr WELSH** - They are pretty big ovals. You can fit a lot of people into them. In addition to in the crowd, I would have thought that you'd get 10 per cent of the State in one venue if you use the grass.

**CHAIR** - I use the grass at the MCG. I just question how many would you fit in, say, a UTAS stadium, on grass, with a stage at one end and the grass and stands.

**Mr WELSH** - Lots. I think it could be modelled up.

**CHAIR** - I'm sure it can.

**Dr BROAD** - But then you'd have to also take into account toilets and the like?

**CHAIR** - The line ups to the MSG are pretty long.

**Mr WELSH** - We have a lot of portaloos in Tasmania; I hire them all the time.

## PUBLIC

**CHAIR** - It is an interesting view to take, with all those figures, to back the distinct differences and the amount of funding available. We have a nice number of world champions.

**Mr WELSH** - We do, in a range of different sports, and most of them are still working to support themselves, they are terribly underfunded. If you compared our sport funding to other states and territories we would be significantly underdone.

**CHAIR** - What would someone like Stewart McSweyne get if he was in Victoria or New South Wales? Do you know how much those athletes get?

**Mr WELSH** - It would depend on state by state, but you would have significantly more than the equivalent of \$2,500. That is a massage every fortnight for athletes. They get injured, they have to get an MRI. Stewart has just pulled out of nationals in Brisbane because he had a sore foot. You treat one injury at that level of athlete, you can quickly spend that in no time.

**Dr BROAD** - The travel and accommodation for someone like Stewart would be the main thing wouldn't it. Travel to Europe, stay in a hotel, travel to another venue, stay in a hotel.

**Mr WELSH** - It is one race. You cannot get to Europe for \$2,500 these days or you would be staying at a backpacker's, and not run very well off that.

**Dr BROAD** - To be fair, he would get funding from Athletics Australia to do that, too wouldn't he?

**Mr WELSH** - He would, certainly. I am speaking more broadly about how AFL already gets nearly \$10 million a year in funding and you compare that to the \$1.195 million that 34 other sports get. They get 10 times more than any other sport outside of those couple - soccer, cricket, netball, basketball - that have separate funding deals and separate arrangements which I couldn't find, but know from my time there. You have one sport getting 10 times more than 35 other sports in Tasmania and here we are having a conversation about giving them how many hundreds of millions of dollars more because they turned around and said, 'that was a good start'.

**CHAIR** - And you have to have a stadium, they allegedly said.

**Mr WELSH** - Not all of those 34 organisations. I am not here speaking on behalf of all of them, but they do not have people in their organisations to come out and do what I have done with this submission and be here today. If you can take that on board for some of those. Some will do it themselves, some will not want me speaking on their behalf; but at least think about those guys.

**CHAIR** - Thank you very much.

**THE WITNESS WITHDREW.**

**The Committee suspended from 2:28 pm to 2:30 pm.**



# PUBLIC

**Mr GRAEME WELLS**, WELLS ECONOMIC ANALYSIS, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Ms Forrest) - Welcome to the hearing into the feasibility planning for a new sporting and event stadium at Macquarie Point. We appreciate your submission.

Some information about the process of the Committee hearing - it is a public hearing and is being streamed live. You are afforded parliamentary privilege while you are giving evidence to the Committee. If there was anything you felt was of a confidential nature and wished to provide that information in camera to the Committee, you can make that request and the Committee will deliberate on that; otherwise it is all public. It will be transcribed and the transcript will be published on the website when it is available. Do you have any questions before we make a start?

**Mr WELLS** - No, I'm fine, thank you.

**CHAIR** We have two members online - Meg Webb, MLC and Lara Alexander, MP. Other members are myself - Ruth Forrest, MLC; Josh Willie, MLC; Shane Broad, MP; and Dean Young, MP.

**Mr WELLS** - If I could start by thanking the committee for inviting me to give evidence. I think it's an important issue, so I'm very happy to be here to give my evidence today.

By way of background, I am now an independent economist. I have had a long career as an academic economist in various countries. I have done a lot of consulting to Treasuries and reserve banks in Australia and New Zealand. I have done a lot of consulting here in Tasmania to the Treasury and various Government departments and private institutions.

Although I have my private views about the merits of the stadium, I am here today because I think it is important for the Tasmanian electorates to be able to make up their mind about the merits of the stadium based on reports and facts which are accurate. My problem is I do not think they are. So, I made a submission to you which points out some of the deficiencies in a number of the reports that have been commissioned. Some of them were commissioned by the AFL, surprisingly and some by the State Government. What I thought might be useful for the committee is if I started off making some general remarks and then we could get into the two reports on that I focused on in my submission.

As far as general remarks go, this is a complicated project to evaluate. It's subject to a very high degree of uncertainty, for several reasons. One is that the plans for the Macquarie Point district are in a high state of flux. Apart from the stadium, which is probably likely to end up being a billion-dollar project, there is an arts and entertainment precinct which is mooted to employ about 3,000 people on site. It involves a ten-storey hotel; it involves retail and various other buildings. There is the Antarctic Precinct, which was mooted to be about a \$595 million project three or four years ago, and there is the straightening of berths four, five and six by TasPorts which is another \$300 million project.

All these projects are slated to be completed in the next decade. So really, we are looking at a major construction site from a Tasmanian perspective and, in the business case, the state Government draws on all these other projects as though adding to the value of the stadium.

## PUBLIC

For instance, they talk about the interaction for convention facilities with the Antarctic Precinct. They talk about the way in which the arts and entertainment precinct will add to the value of the stadium. All these things are just artist's impressions at this point, and so what we are asked to do is to invite ourselves to evaluate the stadium as though it is a standalone thing when it really isn't. It is a major project in the middle of a whole lot of other major projects, which ultimately, are designed to interact.

I briefly comment on this in my submission, but it makes it very hard to form a judgment about what the role of the stadium ultimately will be. So, the various consultants' reports have had to put all that aside and say, 'Let's just evaluate the stadium'. The initial report by PricewaterhouseCoopers just evaluated the stadium without really knowing exactly whether it is going to be on Regatta Point or on its now-favoured site, Macquarie Point. I regard that as a serious deficiency. I don't think it's really plausible to evaluate the stadium as some stand-alone thing that's going to reap all these other benefits without knowing exactly how all that's going to pan out, and importantly, it won't pan out immediately; most likely, in 10 years' time, we might see it nearing completion, but not by 2028 as is assumed by the evaluation of the stadium.

With that general remark, I can go on to the computable general equilibrium analysis which is the first of the reports -

**Dr BROAD** - So to be clear, that is the PricewaterhouseCoopers one?

**Mr Wells** - Yes that is the PricewaterhouseCoopers one, and I think that's deficient in a couple of ways. It is surprising that they were given data and parameters by the State Government to evaluate this. They didn't do any estimates of the costs of building the stadium or anything like that, they just said, 'here's a \$750 million capital works project that happens to be a stadium, you evaluate what that's going to be.' The only thing they appear to have done themselves in that regard - I'm not sure who did this, whether it was Pricewaterhouse or the State Government - but they came up with a list of events.

You will be very surprised to know that the list of events includes seven Rugby League games a year - surprise - and seven AFL games which will be played in Tasmania, but only four of those are actually additional AFL games. So, they came up with a list of events per annum, which includes these Rugby League games and an inflated number of AFL games, and that, in the post-construction phase, is how they work out what the operational benefits of the stadium are going to be.

Now, I think you would have to agree that's a rather odd list of annual events to be held in this stadium. Where they got this list from, I don't know, but it's obviously not a realistic list. The other major problem I have with the report is that they use a 'computable general equilibrium' model, which is fine. I've worked in that area a little bit myself so I know how they work, but when they present the results, they just seem implausible. It is a major construction project, so if you looked at the direct employment and all the employment that's induced by the stadium - and there will be quite a lot of that - surprisingly, the largest number of indirect employees is in the arts, sports and recreation sector.

Now, I just don't believe that. You would've thought that apart from the people involved in construction, there are going to be people involved in transport, design and a whole lot of things that are normally related to building a construction centre, not people doing murals on



## PUBLIC

walls and kicking a football around. But they would have you believe that of the 1,400 jobs per year, most of them are going to be in the arts, sports and recreation sector. Well, I just think that is unbelievable. It is likely that there will be a large number of induced jobs around Tasmania, but not in that sector. I don't know -

**CHAIR** - And this is during the construction?

**Mr Wells** - Yes, this is while it's being built. It's just very odd, and o I don't know where they got that from -

**Dr BROAD** - Are they potentially arguing that all the people constructing the stadium will be out eating and - I don't know -?

**Mr WELLS** - Well, they won't be driving trucks.

**CHAIR** - Maybe the artists will build the stadium.

**Dr BROAD** - Artists build the stadium. Okay, yeah.

**Mr WELLS** - It's not being made out of papier-mache.

**CHAIR** - And ice cream sticks.

**Mr WELLS** - So, that's a very odd conclusion. There are two other points I'd make about the PricewaterhouseCoopers report. It doesn't ever really make clear as to the funding assumptions that underlie the construction cost. We are only ever told that it is going to be a \$750 million build, and I guess they did this report before the state Government revised the build cost, but that's okay. But we don't know whether they assumed the federal Government is going to come to the party, or on what terms they might come to the party, or whether the entire funding is going to come from the state Government. There is no detail on that at all, and so one would expect that different assumptions that you might make in that regard would have a material impact on the cost impact that the project has on the state. And neither do we know any detail about what the budgetary implications of this project are.

**CHAIR** - In terms of increasing the debt?

**Mr WELLS** - Yeah; and so all this activity and induced activity will no doubt increase payroll tax collections and so on.

**Dr BROAD** - By \$300,000.

**CHAIR** - Yeah, that's what they said.

**Mr WELLS** - And the borrowing costs will depend on what the funding assumptions are, but we don't know what they are, and so it's impossible to tell from this report what the budgetary implications are; except to rely on a general sort of notion that increased activity will increase tax collections via the Commonwealth Grants Commission distribution and so on. The claim that it is going to provide more funding for roads and hospitals and so on, is something that you really can't evaluate on the basis of -

## PUBLIC

**CHAIR** - Well, particularly if the stadium - and they weren't able to confirm this - whether it'll be quarantined from the GST calculations, too. We did ask the Government about that, and whilst they said while they would expect that to be the case, when pressed on whether they would still proceed if it wasn't, there was no answer to that.

**Mr WELLS** - No. So, although this report is often quoted, I think it's got a lot of deficiencies. I wouldn't rely too much on it.

**CHAIR** - Could we just go a bit more in depth into the assumptions here. Obviously, it talks about, is it 3,000 workers, from memory?

**Mr WELLS** - 4,200.

**CHAIR** - I'm sorry, 4,200, and so, assuming some of those people would already be in Tasmania, but some of them won't be, and have to come in - we know how tight the housing market is, particularly around Hobart, but all around the state. Is there any indication that the assumptions in this include the need to house people, and the cost associated with that, as well as, that you can't build a facility like this without significant upgrades to your road network and your transport connections, and potentially other accommodation, like hotel accommodation. Is that factored in at all - the assumptions around that?

**Mr WELLS** - No, it's not.

**CHAIR** - Should they be?

**Mr WELLS** - Well, it would be hard to do in this sort of model. Basically, this model has thousands of equations which model the way in which households and firms will respond to changes in economic activity, and things like publicly funded roads. You would not have a behavioural response to that in a model like this, so unless you specifically included it as part of the cost of the stadium, then that cost would rise as a result of your assumed required increase in investment in road transport. There is no detail that they have done that and I doubt whether they have.

Similarly, if you wanted to somehow have a policy to increase the stock of housing, you would specifically have to change one of these equations to handle that, and I do not think they have.

**Dr BROAD** - Are you going to talk about the MI Partners cost benefit analysis?

**Mr WELLS** - Yes, that is the next one.

**CHAIR** - Do you want to say anything else about the PricewaterhouseCooper one?

**Mr WELLS** - Yes.

**Dr BROAD** - One of the figures that the Premier is keen to quote as often as he can, is that the project will deliver \$2.2 billion dollars in economic activity over 25 years. Obviously that sounds like a big number, but it is not discounted in any way. Can you comment on that particular figure?

## PUBLIC

**Mr WELLS** - It is \$85 million per year, I think.

**Dr BROAD** - Is that at the present value of -

**Mr WELLS** - No, \$2,400 is the discounted value of \$85 million a year, I guess. But the better way to think of it is on a per annum basis. It is \$85 million a year, if that is okay.

**Dr BROAD** - Yes, it is okay.

**Mr WELLS** - The other thing that the PricewaterhouseCooper people do is to add on a lot of supposed benefits that flow from the things, which they do not quantify. That is on page 8 of their submission. These are socio-economic benefits. To come back to your point, Chair, they claim it is a benefit that it is probably going to increase house prices in the surrounding area by 3 to 4 per cent. Given that most of the health workers, for instance, in the middle of the city cannot afford to live in the city now, I would have thought that further cranking up house prices is hardly a benefit.

In any case, I looked up the academic papers which they cite. Both of those papers refer to stadia in the United States that were built in low-income areas as part of an urban development project. One is near the University of Southern California, for instance, which is hardly the best part of LA. Another one was in a town, I forget which state it was, but it was in an area where house prices were already quite low. So you can imagine that they would have had an impact on urban renewal and improvement, but I wouldn't have thought the centre of Hobart was really a site ripe for urban renewal.

**CHAIR** - Or a rise in house prices.

**Mr WELLS** - No. So that is one of them.

Then they quote a paper that says that attendance positively correlated with self-graded health as though what they want to imply is that the stadium is going to improve peoples' health. When you read the paper, it explicitly says that you cannot interpret this result that way, and yet they quote that in support.

Then they have, 'Tasmania is highly vulnerable to shocks because the top four industries employ a high proportion of the workforce', so I thought, why not compare Tasmania with Victoria? That's on page 4 of my submission. It turns out that the top four industries in Tasmania employ 44.48 per cent of the workforce, and in Victoria it's 44.65 per cent, so I could hardly claim that there is any significant difference between the degree of concentration of the workforce in these two states. I don't know where Pricewaterhouse came up with this idea that employment in Tasmania is significantly more concentrated than in other places. In any case, most of their employment during the operation is going to be in arts and entertainment, which are relatively low wage sort of sectors.

**CHAIR** - Except if you're an AFL football player.

**Mr WELLS** - Yeah, there are 22 of those.

## PUBLIC

I think that firstly, the Pricewaterhouse report's outcomes are not very plausible. Secondly, it's been done in a vacuum as though all the other bits around it are complete, which they won't be, and a lot of the community benefits they claim I think are inaccurately reported.

If we are done with that report, as Dr Broad indicated, we can move onto the cost benefits study. When you do a cost benefits study, you are trying to look at a different kind of economic analysis to the computable general equilibrium model. What you're trying to do there is trying to work out the social costs and the social benefits, rather than just the contributions to gross domestic product and so on.

The first problem with this is that they haven't really followed the Government guidelines on how to do a cost benefits study. If you look up the Commonwealth handbook on cost benefit analysis, when we are working out the costs of the stadium, what you're trying to work out is the opportunity cost of the resources that are going into the stadium. By opportunity costs we mean how would those resources have been able to be used in some other project. When you look at, say, construction costs, it's pretty easy to do - if you pay a plumber \$100 per hour to work on your project, that is the opportunity cost because they could've got \$100 per hour somewhere else. But when it comes to the land on which the stadium is built, the cost benefit analysis assumes that it didn't have any other alternative use when obviously it does. So the costs of the stadium are understated by quite a significant amount, and some of those alternative uses could be readily evaluated.

For instance, Macquarie Point people had a lease I think - I'm not sure exactly - to the escarpment project, and in the *Mercury* it was reported - and I'm not sure what the \$100 million referred to, whether that was the sale value of the units, or what - but it would be relatively easy to establish what the value of that land was. That is an opportunity cost of the land for the stadium, and it had an alternative use and it's a cost. There are various other commercial enterprises on the stadium which won't now go ahead. That should be included in the cost because that land had alternative use, it's not free.

**Dr BROAD** - Also the existing commercial enterprises on that site; there are a whole bunch of activities on that site.

**CHAIR** - Those in the Goods Shed, and other facilities.

**Mr WELLS** - Even the land that is not presently occupied has alternative uses, so to completely omit that as part of the costs seriously underestimates the cost that should be taken into account in a cost benefit analysis.

**CHAIR** - Graeme, do you have any idea of a ballpark figure you're talking about? I know that there is the escarpment, there are the businesses in the Goods Shed, which seems to move in the artist's impression we have -

**Mr WELLS** - Does it?

**CHAIR** - That's how it looks, I'm not really sure - it's only artist's impression-type stuff at the moment. The Truth and Reconciliation Art Park, which can't be delivered in the same way. Do you have any idea how we would work that out or how someone could work that out for us?

## PUBLIC

**Mr WELLS** - I haven't really ever seen a revised plan. But for example, the arts and entertainment precinct, if it were built on in the way it was proposed would be very valuable land, so if the stadium had not gone ahead, would that have been larger? I don't know. How much land is the proposed Antarctic precinct going to occupy? That's valuable. I don't know how you would work it out, but it is clear that the \$750 million is quite a significant underestimate because it excludes that the value of that land. I presume as a base case, someone would have to go back to the original planning document, prior to the stadium -

**CHAIR** - The reset plan, the most recent one that they signed off on.

**Mr WELLS** - And then see how much land has been taken up by the stadium, and somehow get an evaluation of like projects, like the reconciliation park in other places-

**CHAIR** - And build houses on the escarpment.

**Mr WELLS** - And add all that together. I wouldn't be able to do that. You would probably need to get urban planners to do that kind of evaluation.

**Dr BROAD** - So it seems like the MI Partners have also used the same data as PricewaterhouseCoopers when it comes to the number of events. They have just taken as read that there will be 44 events.

**Mr WELLS** - But there's an entirely different list. If you look at the list, it's quite a coincidence that they come up with the same number of events, but the list is totally different. The Rugby League matches have disappeared, and instead we have various concerts and so on. I was a bit bemused by the entry at the top of the list, which is an AFL home final every four years.

**CHAIR** - It assumes we're in the finals, doesn't it?

**Mr WELLS** - I'm an AFL fan, and I happen to know that Geelong, which play in finals very often, and the AFL have allowed them to play a home final once. That was in 2013, I think. That was when their stadium was at least as large as this one. So, it's optimistic that we are going to make the finals once every four years. Not only that, we are going to do so well that we're entitled to a home game. The AFL aren't going to have any home games here in finals. I think that some of the other items on this list are pretty optimistic, too.

**CHAIR** - If you were here earlier today Graeme, according to Cricket Tasmania, the ICC rules prevent international cricket from being played in a roofed stadium. You can't do it.

**Mr WELLS** - Quite possibly; they never play at Marvel.

The other problem with the cost benefits analysis is if you look at the contents projections on page 12 of appendix 7, they have an attendance and visitation based on that. We might have differences with the authors of the report as to how likely that is, but even if it were likely, it is an average in the long term. Can you imagine in the year after the completion of the stadium that all these things will be lined up on average? More likely it is going to be the case that as people realise the stadium is finished and line up, for instance, tier one concerts, that is going to be a few years away.

# PUBLIC

**CHAIR** - They plan years in advance.

**Mr WELLS** - They do, but they do not know when this stadium is going to be finished. Most likely, even if these events occurred once every six years or twice every three years or whatever, that is going to be an outcome that levels off after quite a number of years.

Why does that matter? It matters because when we are getting the benefits on the cost benefit study, we are discounting this back to the present, and the further they are out to the future, the less the present value is.

My guess is, that apart from the fact that some of these proposed events are pretty optimistic, not all of them will occur in the time horizon at the frequency at which you would assume. For every year they are delayed, their present value is less by 7 per cent. In a cost benefit study the present value to benefits, in my opinion, is overstated by quite a lot. On the cost side, the costs are understated by quite a lot. So, in that study too, I think it is quite misleading.

**Dr BROAD** - But even despite all that, it is saying the total benefit this time is \$1 billion, discounted back to \$312 million. So, with all the issues you have raised with the report, a minus \$300 million is the net benefit. Or a cost benefit ratio of 50 per cent. 0.5.

**Mr WELLS** - It is not high.

**Dr BROAD** - It is likely to be even less, isn't it?

**Mr WELLS** - Yes. I would think if you added in the costs correctly and allowed for the fact that these events aren't all going to occur with the frequency that this table suggests, straight away at any rate, then you could get a number like 0.3.

**Dr BROAD** - But then, what happens when you take into account the opportunity cost, as you have suggested?

**Mr WELLS** - I think if you did both those things, you could easily end up with a number like 0.3 or something. I think it is incorrect to argue as some people have that capital intensive events are a disadvantage because of discounting. Why do we discount? Because we would rather have things today than tomorrow. If we don't like discounting, we don't like paying interest on bank deposits. It's a silly argument.

You might ask why that 7 per cent discount rate rather than some other discount rate? But I don't think you can argue against that you need to discount future benefits. We need to compare things in today's values, and in order to do that you need to discount them.

**CHAIR** - Can I just go to page 26? I think it is, the cost-benefit analysis summary. You made the comment towards the end of your submission, to that extent, we're talking about the visitors, ticket prices and things like that-

**Mr WELLS** - Which page was it?

**CHAIR** - Page 26 of Appendix Seven, and you have sort of spelled this out towards the latter part of your submission, talking about ticket price. I did raise this with a previous witness

## PUBLIC

that if you have a really big concert, like an Ed Sheeran concert - we used that because I'm pretty sure there was hundreds of thousands of people at the MCG for that event, and you couldn't fit that many in this sized stadium, even using the ground, potentially, because you can seat 90,000 in the G for a grand final; they seat 90 don't they?

**Dr BROAD** - No -100,000 is the maximum.

**CHAIR** - Oh, alright.

**Mr WELLS** - Yes, they probably wouldn't be behind the stage, would they?

**CHAIR** - No; but they had them all on the oval, and the stage on the oval. So, in order for that concert to be economical, counting all the costs of getting across the Strait, and the bumping in, bumping out and all the other services you have got to pay for, you would assume the ticket prices would have to be fairly high. If you kept them the same in order to attract people to come here rather than just go Melbourne and see it, then it seems that the likely chance of that turning the profit that the promoters expect, is less. So, when you talk about the tourism benefit here, and you say it's overstated, can you go through that in more detail as to that statement you make? The tourism benefit, you know, visitor expenditure -

**Mr WELLS** - Well, I was uncertain when I read the report, and I raised it in a supplementary submission -

**CHAIR** - That's what I'm looking at, the supplementary submission.

**Mr WELLS** - which was that Events Tasmania gives you a yield for visitation to events, and that is based on a survey conducted when you arrive at the airport. If you look at the survey questionnaire, it appears to include how much you spend on tickets. So, if that's the case, then it seems to me that the cost-benefit study assumed that the event yield excluded the tickets, and I don't know what the answer to that question is. I was merely raising it as an issue that perhaps the committee might get to the bottom of.

**CHAIR** - So the question we need to ask the Government is?

**Mr WELLS** - Does the event yield that Events Tasmania supplied to the consultants include ticket prices, or doesn't it? The cost-benefit analysis seemed to assume that the yield was just what they spend outside going to the concert, but the way I read the questionnaire that's given to people at the airport, it seemed to include it - so all I was doing really was raising that question. That's what I was trying to get at there, and I don't know the answer to that.

**CHAIR** - Sure. This is maybe not something you want to comment on, but Events Tasmania has a bucket of money for supporting a range of events around the State. They also have an event attraction fund, and a section in the department for that. If, to make this economical, or at least to make some sort of return - not on the facility overall perhaps, but on the event - do you think it's likely that promoters are going to be putting their hands out to Government to say 'well, we'll bring this event', whatever it is, a concert, some conference or some other major event the requires that size facility 'but we need you to pump in \$20 million to make it worth our while' Do you think that is likely or not?

## PUBLIC

**Mr WELLS** - I think it happens now. I was president of the Economic Society for a while and when we had a major conference we went to events and they gave us - I cannot remember - a certain amount per attendee.

**CHAIR** - Out of that events attraction fund?

**Mr WELLS** - Yes.

**CHAIR** - You are bringing people in from the mainland.

**Mr WELLS** - Yes; and as I understand it, the music concert down at Bream Creek -

**CHAIR** - Falls Festival.

**Mr WELLS** - Yes. They did the same thing, and it turned out in the end that the amount the Government was prepared to offer was insufficient, so they shut it down. And so, yes, I think the promoters would approach them, whether Events Tasmania would give them what they want is another matter.

**CHAIR** - Well that is the thing, because they already support a number of events around the state including one that I am involved with, just declaring that. But there are many events, some get quite decent amounts of money, others get smaller. Dark Mofo gets quite a lot. We know the events that get supported. But one would assume there is a limited bucket of money; they could always put more into it. But if you are going to attract, notionally let's say, 44 new events - arguably they are not all new events; let's say 40, even - it's not an unreasonable expectation to say they will also be asking for financial support to be able to put on their event at the facility.

**Mr WELLS** - I think the consultants did have a number for what they thought that would be.

**Dr BROAD** - \$110 million over the 20 years.

**Mr WELLS** - Yes, it is about \$5.86 million I think. So, whether that would be sufficient is another matter.

**CHAIR** - Yes, that's the question, because I am not sure how much Falls got, but if it wasn't enough for them to sustain that festival, then are we looking at -

**Mr WELLS** - That did seem like a small amount, I must say that \$5.8 million - take Ed Sheeran or somebody - I can't imagine that just for that one concert would be enough. But, I'm not a promoter so I don't know.

**CHAIR** - No.

**Mr WELLS** - But it did seem like a small amount to attract a lot of these events that otherwise would not be here.

**CHAIR** - So do you think that is probably understated? That is the question I am asking, is likely to be understated -



## PUBLIC

**Mr WELLS** - I would think so but I am not really in a position to be authoritative on that.

**CHAIR** - If you were sitting in our seat, and had the Government back in front of us or were writing to them with more questions what specific questions would you ask them?

**Mr WELLS** - I did ask the Premier a question in correspondence about this highly implausible result that the majority of the induced employment is in arts and recreation and I did not really get a very satisfactory answer. So, perhaps you could ask again. I would also question the assumption that the land on which the stadium is built has got no alternative use and hence, no opportunity cost - how that could be justified. That is an okay assumption in the Pricewaterhouse case because all you are doing is looking at -

**CHAIR** - The stadium on its own.

**Mr WELLS** - The stadium and how much this extra spending would do to the economy. But in the cost-benefit case it is not a good assumption because there you are looking at the opportunity costs and the social benefits and so you need a different assumption in the cost benefit study compared to the Pricewaterhouse study.

**CHAIR** - We also heard from TasWater this morning, to confirm there is the big main sewer line going sort of through the middle of it, and you can't build a stadium over the top of it or anything, so it may need to move anyway; not saying it doesn't need to. It's a suggestion that it's about \$5 million plus to relocate that. So, should that be included in the assessments and the business case here?

**Mr WELLS** - Well, it may need to be moved in any event. That's the problem - we don't really know where the Antarctic Precinct is going to be exactly, or where this arts and entertainment precinct is going to be. The arts and entertainment precinct report has a height total that is about the same height as the stadium and I presume would create the same sort of problems to a sewerage line as a stadium does, but where that's going to be located I don't know. I think I would be pressing the Government to come up with a plan for the location of all these capital works and the proposed new precincts.

You could maybe say 'well, where does all these fit together, physically'. I think it is an important thing that I couldn't find out any up-to-date version of that. I think that would be very helpful because it looked to me, when you think of the height of the stadium, and the height of the buildings in this art and entertainment precinct, that are all on the southern side, it's going to be all shaded. As a place where you want to hang around, it's going to be cold. The meeting place is a concrete apron really, on the south side of the stadium. It's going to be a pretty unattractive spot if it's in the winter, it just won't get any sun at all. Having an overall picture of where these buildings are going to be, rather than thinking of the stadium as some stand-alone thing, I think is quite important.

**CHAIR** - You did touch on this earlier, Graeme, you said with regard to the development of the cost-benefit analysis, it appears that the Government guidelines have not been followed. Did you directly ask the Government whether they had followed the guidelines, or you made that assessment based on your consideration of the information before you?

## PUBLIC

**Mr WELLS** - I know they haven't, because they haven't got any value of the opportunity cost of the land. If you look at the Commonwealth Government guidelines, it explicitly says that you should. It seems to be pretty clear gap.

**Dr BROAD** - Are there any other issues, any other guidelines that they have probably not adhered to?

**Mr WELLS** - No, I think it follows a fairly standard approach. I mean, my version of it has a lot of redacted things so I can't really see exactly what they did.

**CHAIR** - So does ours.

**Mr WELLS** - Some of it they claimed is commercial-in-confidence, some of it was drawing on others. In general the sort of things they were getting numbers for were the right sort of things. It's just that you could not see the numbers.

**CHAIR** - That's a bit hard to assess.

**Mr WELLS** - Yes.

**Dr BROAD** - If you have an unredacted copy you could make some better judgements as to the validity.

**CHAIR** - I don't have anything else particularly. Thanks for stepping us through that, Graeme. Is there anything else you want to say that you haven't said?

**Mr WELLS** - No, it's Friday.

**CHAIR** - Thanks.

**THE WITNESS WITHDREW.**

---