

# PUBLIC

## THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON FRIDAY, 3 NOVEMBER 2023

### INQUIRY INTO THE TASMANIAN GOVERNMENT'S PROCESS INTO THE PROPOSED ARTS, ENTERTAINMENT AND SPORTS PRECINCT IN HOBART

**The Committee met at 9:00 am.**

**CHAIR** - Welcome, everyone. You probably know most people around the table – Meg Webb; Shane Broad; Dean Young; me; Lara Alexander; and Josh Willie. This is a public hearing, the Public Accounts Committee is going to be looking into the proposed stadium at Macquarie Point, which is the Government proposal. We are here to hear about your proposal that has been put into the public domain.

Everything you say before the Committee is covered by Parliamentary privilege. That privilege may not extend beyond this room and this hearing. We do need to break for a short period around 9:30 am for a quorum call for the Legislative Council, but that will only be a brief interruption and we will return to the hearing.

If there is anything of a confidential nature you wish to share with the Committee you can make that request to the Committee and the Committee will consider your request, whether it is to give evidence in private or, if you wish to produce a document, you can do that in a public session with confidence that the Committee would maintain the confidentiality of that document.

I invite you to take the declaration, and then I invite you to give an opening statement by way of an introduction. We will have a series of questions; we only have under an hour and a half, so we need to keep it fairly tight.

**Mr DEAN COLEMAN**, MANAGING DIRECTOR, STADIA PRECINCT PTY LTD, AND **Mr PAUL LENNON** WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**Mr LENNON** - Thank you very much for the invitation for Dean and I to appear before the Committee this morning. The Stadia Precinct Consortia was formed in response to the challenge for the private sector to become involved. Our overriding objective is to create an urban renewal project with the right mix of community and commercial assets, including a state-of-the-art stadium complex that meets the AFL criteria but is also suitable for a range of other sporting events, as well as for entertainment. Our vision includes: social and affordable housing; a private hospital; a RSL museum; provision for the annual Hobart Regatta; a tram museum; park-and-ride facilities; Derwent River ferry terminal; transport interchange; hotel and convention centre; private apartments; underground parking; restaurants; shops; and a supermarket.

When complete, there will be approximately 4,500 people living or working there. Reinstatement of the green space after construction will occur. We are on Macquarie Point, lest there be any conversation about that, ongoing. Dean will show you the map to demonstrate this. Dean will also now walk you through the design features and the construction plan. Thank you, Dean.

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**Mr COLEMAN** - Thanks, everybody, for having us today. As Paul mentioned, from 1811, Macquarie Point is exactly where it is shown there - where the Regatta Grandstand currently is. We are on the original Macquarie Point. Macquarie Point is all reclaimed land, like much of the Hobart foreshore area. From the criteria with the AFL contract – 23,000 seats, roofed stadium in Macquarie Point - we tick all the boxes on that.

Very quick, animated fly-through, so that you understand how the project fits in. When we refer to the apartments around the outside, we will talk about the cost implications, but effectively about 40 per cent of the cost of the stadium is deferred to commercial developments, done by housing, shops, the car parking, and the like. This presentation, abbreviated to 23 seconds, was done for the RSL, as that we see them as the major stakeholders on the site. Since June of this year we have spent time talking to all the major stakeholders around the site that are involved, including the Hobart City Council - primarily because they own the greater portion of the land on the regatta grounds, but they see the RSL as the custodians of the land, with the Cenotaph, and so we have worked very closely with them. All branch members, all presidents and their CEO have come out in support, the same with the Regatta Association with Ross Doddridge and all of his team.

When we walk through the project, it is effectively all the way round. If you went up to the site at the moment, where the old concrete works used to be, you can see that the face is what is called Jurassic dolerite. It is the best fill known and we utilise that in our reclamation works with land.

We have also put in a set-up on the Macquarie Point site which for the first four years is construction employees' accommodation, because there will be over 1,200 people working on the site for a period of the next four years. Those workers' accommodations will be reprovisioned at the end of that and will become social and affordable housing. The great thing about that is that four years of repayments on that property are already done, so it makes it a very good and economic answer to a problem, but we can also design it in a format that blends in perfectly with Macquarie Point. You will also see the Reconciliation Park which we have expanded a bit further.

I have added a couple of things to this presentation, for the people who have seen it before. This red line shows what the natural landfall is at the moment down to the river. We do not go higher than the Cenotaph at any point of our structure. We could, as we get closer to the river, but we don't need to. The key component of this is that it has been designed in accordance with the Sullivans Cove and the Cenotaph design principles, so that it meets all of that. That's why the RSL are such big supporters.

All of this land, as it runs down to the river, is Jurassic dolerite. We have been working with Hazel Brothers for over five months on the costings and the process involved in the cut-and-fill. You will also see in the structure that we will dig into the bank so that we have our car parking structure and then the stadium. All of this information is available on our website, [stadiaprecinct.com](http://stadiaprecinct.com). This now has been updated, and on the website, to show this seating layout which is 23,900 in its initial phase. We only need 23,000, but we also can expand that by another 4,000 seats moving forward with no change to the structure. It is a very easy it.

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You will see that the apartments facing the river have large atrium spaces, they are very spacious and they are designed so that they sell very well, because they introduce upwards of \$120 million into the project that is taken off the cost of the stadium. This is where, working with the Hobart City Council, we are now entering the next phase of that discussion once we get some more commitment from the Government to activate legals to make sure that transfer of land is done.

On the cut-and-fill process, these images on the left-hand side are currently Hazel Brothers' work on the Devonport River for the expansion of the wharf for the two new TT Lines coming in. This is Jurassic dolerite, which has been brought in by truck, we have it onsite. Our first box of sustainability is ticked because we are reusing things from the site. We take, at the moment, around 800,000 cubic metres of Jurassic dolerite and we bring that down to the water, a bund is put round and then it is filled, and then there is pylons put through.

The critical thing to note is that the depth of the water when you look at Macquarie Wharf, this line through here, the deepest point there is 7.3 metres. A couple of things are raised. There is an evacuation path for a ship coming up to go through the bridge. If that has to abort and pull out, it comes in and does a turning circle in front of the regatta grounds. We have no issues, because the depth of the boats are 10 metres. They run aground before they get anywhere near our structure, so we meet the requirements for the maritime component on that.

When we look at the stadium in totality, we will work through the structures that we have starting from opposite the Doone Kennedy Centre, which is an accommodation parcel that links to the private hospital, and this is for medi-tourism. Andrew Hunn, especially, one of the leading neurologists in the world, has a number of people that fly in from the US. They bring their families. At the moment that work is done at Calvary. They would like to look at doing it here.

We then come through and we have the hotel and convention centre. We've made available 15,000 square metres for the convention centre. That holds convention structure of 5,000 people and above. It can be expanded further because it runs into the stadium. The pink blocks are the apartments as they run round. Then we have another hotel structure overlooking the Huon naval base facility. We don't touch any of these Huon naval base facility. That's a heritage-listed zone. TasPorts currently own that and it's falling apart a little bit. We would like to work with them to turn that into a palliative care centre and a hospice centre for the RSL on their services structure, because they provide a lot of services for returned service men and women.

Next component of our sustainability, there is a little green module here. That's directly on top of where the current sewage treatment plants are. There is a separate project that moves the sewage to Selfs Point, but that still needs three large pumping stations to go there so that they can move it. It can't be levelled and not exist. It has to have large pumping stations there. What we've put there is what we're calling Derwent Power.

We run a pipeline out into the middle of the river, to the centre point, which is about 55 metres deep, water temperatures close to around 11 to 12 degrees at that point. We bring water in from there through a heat exchange in or out, so it's not changed, it doesn't have any contamination of anything else. It's a process that's used at IMAS, the Wrest Point Casino and the Marine Board building. It just provides the first stage of cooling. We also have housed in here our central energy plant, which also takes heat reclamation from the sewage that's been

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pumped through to Selfs Point. And we also run our chilled water and heating water systems so that all of the structures within our site are serviced by a central energy plant. This is similar to what is now being done at Barangaroo in Sydney, but it's a process that's been done in most capital cities in the US, Chicago and the like.

We also have the roofing structure. This central component above the ground is a retractable polymer roof. Polymer roofs are very common now and they're becoming more so as the technology is getting better: Wimbledon Centre Court, the new stadium in New Zealand, right across the UK and Europe with soccer. That is the component of the roof that the stadium pays for. This perimeter roofing structure is covered by the apartments and all of the other commercial developments done. So that, again, is why a stadium is effectively \$1.3 billion. Our stadium is \$745 million guaranteed, no cost blowouts, we have contingency built in. But it's the injection of funds from the other commercial developments that help it.

I had an email last night from somebody asking if they could buy 30 of the apartments, I'm getting that on a regular basis because, when you look at the website, there are some very good three-dimensional renders done looking out over the river. But this working structure consists of solar panelling, I've had a 'Oh, that will be too heavy'. The stadium for the Gold Coast, Metricon Stadium, that structure is solar panelling. When we are looking at three years away, we are working with SunCable at the moment on another project, and that panelling is improving, getting better every day. It also has light wells in it so that it goes through to the apartments, the front entry to the apartments.

So when we break it all up, we see our stadium here that's yellow. We don't pay for the pretty facade. Other people pay for the pretty facade. That 20 per cent of the cost on any stadium when you will get the costing of the stadium, Marvel Stadium, Homebush, any of them they will tell you that it's 20 per cent. So, that costing is covered by the hotels and all of the other commercial development around it. And then the roofing structure that goes over it. The car park contributes revenue as well under Stadiums Operations Ltd.

The key component from the sporting and entertainment ground is that it is a traditional turf pitch, which means that it's not based on concrete. It's on the dolerite with the various fills so it's a natural ground like York Park. York Park is regarded as the best playing surface by most AFL players. We're fortunate that our office we share upstairs is with the AFL Players Association and we've been working with them to ensure that the players have their say on how good the stadium could be to play at.

A couple of quick slides with regards to the RSL showing the Dawn Service. The reason why the stadium has gone out into the water with reclaimed land is we have to meet the key prerequisites that there is no shadow on the Cenotaph at the rising and the falling of the sun. That's been fully met, and you'll see that with the endorsement letters that both the RSL and the regatta association have put on our website.

When we look at the shoreline, that is the original point there. So this is Macquarie Point, as we showed on the first slide, and how much we protrude out. At the moment we're working with Hazell Brothers that this concourse around the front of the stadium will probably be on solid fill as well because it makes sense to do that. Then we use, effectively, 100 per cent sustainability - what we take out, we put back in, so there's no trucking traffic implications or anything like that.

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One of the very key components on the studies that we've done, obviously our consortium were part of the failed hospital development seven years ago to try and build the Royal Hobart Hospital on this site. The great thing about that, though, is we have over \$6 million worth of intellectual property on the site that we develop with the archaeological, the Aboriginal, the heritage, geotech, marine and maritime studies. The only study that isn't current to today's standard is the marine study, so Marine Solutions, Sam Ibbott, his team have been engaged to work through here. They've been responsible, working in conjunction with AW Maritime, who are our wharf experts and the like, in the reconciliation work that's been done on Circular Quay and underneath the Opera House, where they've actively worked to reactivate the marine life and the fishing areas around it. We have them on board.

Sam's actually, very ironic, he's chair of the handfish association, so the design has been done so that we don't disturb the silt. That's what's happening in Devonport, they're not disturbing the silt. Hazell Brothers are very experienced in doing that.

So we feel that we've done an enormous amount of work to cover any concerns that we could have. And you would have noticed to date that there hasn't been any real agitation or opposition to what we've been doing because we've been working with every single stakeholder that we possibly can, hence the voice is nearly gone. My concert career is over.

Financial: everybody wants to know the finances and that's the key part, and we get it. We've had Bob Chapman, who is an unbelievably talented man. He's chairman of the Adelaide Airport Authority, he's chairman of Coopers Brewery. He was chairman of the St George Bank. And, ironically for us again, he was head of the Adelaide Crows for nine years and was responsible for the redevelopment of the Adelaide Oval. He drove that with the South Australian Government and the Adelaide City Council, where they put hotel, convention centre and accommodation, which has made that area of town really vibrant.

Bob is on our team. He's our financial director. He's spent the last couple of weeks in Sydney where we've been meeting with all of our financial partners. We're talking to every single financial player that can deal in this space because we're a \$2.3 billion project. But we divide it into bite-sized chunks so that every player that you would know, if you go and look at the financial players: Macquarie Bank, Barrenjoey, Plenary, Tetris, Goldman Sachs. Bob is in discussion and the rest of the financial team are in discussion with them. What they're waiting on, unfortunately, because of the volatility of the Tasmanian political market, a lot of people aren't willing to put a heap of resources to that investigation until we get a level of commitment from the Tasmanian Government moving forward, which we are very hopeful of getting very shortly.

To explain the process, the stadium itself is going to be done under a PPP - a public-private partnership. They're not unique to Tasmania. The first PPP in Australia was done here in Tasmania at the Burnie Hospital. I don't know why it stopped in Tasmania because the rest of Australia, New Zealand, Canada and now America bring it up as the common way of doing things. The triple C, the comprehensive cancer clinic in Melbourne, done under that, \$2 billion; the current Footscray Hospital; the recent Geelong expansion which includes the TT-Line going into the facility to run from Geelong to Melbourne. The list is endless.

What that does is that takes away the risk from the government and the taxpayers because it's a fixed price. If there's any cost blowouts it's worn by the consortium that are doing the project. It is not going back, and we do not put our hand back up for money from the

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Tasmanian Government. The critical nature of doing your job properly is making sure you cover your areas of risk, which is why we have been working so hard with Hazell Brothers, because that is the big component of the risk. We have had that price, and the costings are a proportion of the various projects.

Highlighted in the fact we have had Multiplex as a tier 1 builder, because we have spoken to Fairbrother, we have spoken to Hutchinson's, we have spoken to the Tasmanian Builders, but the components are too big for them to do. It would be a tier 1 builder like a Multiplex coming through. Multiplex built Optus Stadium on a fixed-price contract. The homework that had been done on that project backfired on them because that is built on reclaimed land. They thought they were going to hit solid bases at 20-25 metres and at a lot of points they did not hit it until 40 metres.

It is the same example at the Bridgewater bridge: if you do not hit the ground you are expecting to, your pylon diameters increase in the amount of concrete and reinforcement. The cost goes up. The two most expensive items in Australia for the last three years have been concrete and steel. They have gone up 35-40 per cent per annum. Things have slowed down but with Rawlinson's financial advice for the October month, those costs have still gone up 8 per cent. Timber is the only one that has come down.

Multiplex were not overly happy to come and look at a stadium project, because they are probably out to lunch about \$180 million on that project in Perth. No problems for the Western Australian Government, because it is a fixed-price PPP project, which is what we are offering here, but we have done our homework.

**CHAIR** - If Multiplex had gone bankrupt, what would have happened?

**Mr COLEMAN** - Another company would have had to have come in to do it because the financial player is the key pivotal player. They have not gone broke. A builder gets replaced. We have seen in the last two years through COVID-19 and from the cost increases a number of builders, like Probuilder, a major player in Victoria, went broke, but other builders have come in because they were good projects.

The problem on the Macquarie Point stadium and the \$715 million which was quoted two years ago, you have to forget the risk, forget the contaminated soil, forget that it is reclaimed land, just do the base mathematics of going up by 35 per cent per annum for the last two years and that puts the stadium in excess of \$1 billion. You cannot build a stadium for less than \$1 billion. That is what the cost is, we realise that and is why it becomes a community-based precinct and we build around it.

With the PPP, the financial players coming to it, they sell their components to the superannuation fund. Behind the PPP, companies have got \$50-60 billion worth of projects and assets under management. The nice thing about us having to wait and talk to all the players, it is like if you are having a home loan fee for a house, you will try Commonwealth Bank, Westpac, all the other players - we are the same. We have so many players that want to be involved, they are just chomping at the bit to get involved.

With the PPP the risk is removed. One of the key components is the asset has to be maintained because under this one we are looking at a 25-year structure. Burnie Hospital was 15 years, but at the end of the 15 years the keys are fully handed to the Government. The

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Government and the taxpayers own the property from day one. It is the same as if you buy your house, and you pay the mortgage off over 20 years, it is still your house, but there is an involvement from a finance player. At the end of the period, the keys are transferred over fully and the asset is in mint condition.

The key part of it is from the operation of the facility management. Underwriting the cost of outgoing is also a really critical part. With the financial model, and I know this is hard to see here -

**CHAIR** - You will provide a copy of this to the Committee?

**Mr COLEMAN** - Yes.

**Mr LENNON** - We would like the financials to be held in camera, please. We think it is important you have the financial information, but we would like it to be treated in commercial confidence.

**CHAIR** - That is okay. We cannot read it on screen. The Committee will consider that, obviously, but if you can provide it to us with that caveat this particular page will be provided to the Committee in confidence, then the rest of it can be public. Thanks.

**Mr COLEMAN** - The key components of talking through this, I apologise-

**Ms WEBB** - The camera can see that page, just so you know. This camera up here that is broadcasting. Do you want to go back a slide for a minute while we discuss this? If that is a page that you would prefer to have us question in confidence, because we are broadcasting and at the moment that camera is broadcasting.

**Mr LENNON** - Chair, can I suggest that during the quorum call, we will work with the staff to get that page printed off for you so it can be provided to the Committee and then Dean can speak to it at that point.

**CHAIR** - That would be great. If you could print it in A3, perhaps? That would be helpful.

**Mr LENNON** - Yes.

**Mr COLEMAN** - I am in the same boat, Ruth.

**CHAIR** - I have glasses, too, but I see how small that printing was.

If we just skip over that for now and then after the quorum call we will have a copy of that and you can speak to it. There will be other questions on the financial risk, I imagine.

**Committee suspended from 9.26 a.m. to 9.41 a.m.**

**CHAIR** - Apologies for that interruption. We cannot sit while Parliament is sitting.

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We were looking at some of the financial matters and we will come back to those. If you would like to move on with the rest of your presentation, we will come back to the financial issues a little bit later.

**Mr COLEMAN** - I talked a little bit with regards to number of the commercial aspects and one of the reasons why the Hobart City Council is becoming a very strong partner in this project.

If you refer to the 2010 master plan for the CBD traffic congestion by the Hobart City Council, they identified the Regatta Grounds as their park-and-ride spot. We have been working with them and you can see from this structure here - this is what we call B4. This is unique for the stadium because, you will see around here, this is a totally secure zone. We have parking for the apartments and it has full security monitoring - better than what you would have for here. We can access all points of the ground with semi-trailers, which is critical for concerts. When people say, 'why would people come to Tasmania for concerts?', at the moment it is because the cost of coming across Bass Strait is so expensive, but also the insurance premiums because there is not a big enough venue to justify bringing Pink or Taylor Swift or any of those really big acts. This gives us the ability to do that because, with the ground configurations - and I will take you through the ground configurations - we can have 45,000+ people at a concert.

That is a very good number. When you look at Marvel Stadium at the moment, they have added a fourth show for Pink; they have three sold out, the fourth is probably sitting at around two thirds. There is the ability for Tasmania to jump onboard and have two concerts here, because all the semi-trailers for the show are in Melbourne, straight onto the boat, across, and set up. When we talk about a multi-purpose venue for entertainment and sport, the focus is on making sure that the maximum amount of revenue can be generated by Stadium Operations Limited, because that gives it the ability to be a cash-flow positive structure. Effectively, there is the opportunity - if it is run very well - of this being neutral cash to the taxpayer of Tasmania, actually being a revenue stream.

The example I can give of that is Marvel Stadium. When Marvel Stadium first opened, it was called Colonial Stadium. It only had football, and it wasn't making a lot of money from football because football doesn't pay the bills. They had a carpark at the end of Collins Street, which was park-and-ride - get a tram straight up the street - and that was a very good revenue stream for them. Then they started to get the concerts, the UFC, basketball, et cetera, monster trucks; a very profitable venue. The AFL now owns that, so it has been good for them.

From that side of it, if you run venues very well; Optus Stadium is going exceptionally well in its first couple of years. The Matildas are playing there on Sunday night, it's a sell-out crowd. That is an oval similar to ours, but soccer can be played on it. We have the ability here because when you look at the areas, we've got a couple of large zones on the left-hand side of the stadium here, which are our storage areas. The storage areas there will have what's called waffle padding and additional seating so that we can put seating around the ground - like when you're courtside watching basketball, you're right next to the action. That gives us another couple of thousand people around the ground. It meets all the FIFA requirements - we're not going to pursue the World Cup in Australia in 2034 now; but it can meet soccer requirements and we'll show that later.



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This car park zone is two-storeys high and we could have B4A and B4B. We have another three levels above that. We're working with the Hobart City Council to see the optimum number of car parks that they want. We have a specific number for our residential component and we have a specific number for the private hospital, the hotels and the like. We want to make sure that it's the optimum car park size. We don't want it to be too big, but we don't want it to be too small. If we need to increase numbers, we can insert another mezzanine level here. If we need to decrease it, we push that line there - so, there's the Cenotaph directly there. We would push that line back towards the river, so it would decrease our construction costs; revenue drops but it's comparable.

So at the moment, we are in stage two, going to stage three design and this is the fine tuning of the modelling that just needs to be done. It's not detrimental to the stadium whatsoever. It's just getting all your ducks in a row and dotting your I's and crossing your T's.

**CHAIR** - Where do you access the car park from?

**Mr COLEMAN** - We utilise all of the existing road works. We don't need to add any - so you'll see this structure here. As we go up the levels, you'll see that come through. That's the Tasman Highway coming through here, and you've got the slip road off and then coming up fast Doone Kennedy and then you're doing a loop underneath; and also down by the Royal Engineers building. The semitrailers come in through here, go around and out. We have two lanes in, two lanes out through here, and the ramps go down through. Our traffic engineers have also been through this.

There's a lot of things that get through out there saying, 'Oh, well, it's going to congest the Hobart CBD on event days'; but MCG, Brunton Avenue closes for a few hours on a Friday, Saturday night if there's football on. It's at 7 o'clock at night. You're not at peak hour traffic in Hobart. It's all manageable and we've designed this accordingly. When you look at the numbers, we have the activation corridor still remaining to come through; because our park-and-ride ride is that you will jump on the electric buses and it's a two-kilometre loop from the stadium around the CBD, also taking in Salamanca.

Now, this is open-ended at the moment, and the reason is because we've taken our documentation and now we're working with the Hobart City Council planning team and their consultants on what is the best route possible. They also want to look at - from the car park activation side - of utilising the other car parks with the CBD that the council own, and multi-purposing those to being different structures because they need a fair bit of work on them and so there's an ability of having social and affordable housing there. That's something that the council is looking into.

A critical component with TasPorts and the frequency of the movements up and down the river; we don't impede the working port of Macquarie Wharf one iota. We would be ecstatic if they extend. There's talk of an extension of that wharf for cruise ships and, potentially, naval vessels after the 2030 treaty finishes with the ANZUS Alliance. If that goes further forward, then we end up having the best marina possible, which is another source of revenue for the project.

I mentioned about the porting coming through, going up. They would run aground here before they got anywhere near our stadium, so we don't impact on that whatsoever.

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The only slide I'll put up for the comparison between Macquarie Point and Mac 1.0/Mac 2.0. I stress again, we are the original Macquarie Point, so we are on Macquarie Point. The stadium doesn't fit. The RSL brought that to everybody's attention. What we have here is the size of the ground with seating only and the roof only, based on Marvel Stadium. You insert that there and that is the background of it. That doesn't have the concourses around the outside so that you can get people in and out, and it does not have any development around it.

This is the size of the ground with the development on it. When you superimpose that, it impacts on Evans Street, the delivery road though to the working port. Somebody is aware of it, because there is a road that is in planning to go right through the regatta grounds to service Macquarie Wharf, but the traffic engineering has not been done properly because when you are coming off the Tasman Highway here, you cannot get a double-b train round and semi-trailers are very difficult, so a hell of a lot of money has got to be spent on that. We do not impact on Evans Street, which is retained to service this area, and retain Macquarie Point to be developed - we want it to be developed, we don't want it to be a barren wasteland. Our team would love to work with Macquarie Point Corporation to achieve something on that site.

As we move around the stadium, this is the private hospital, our Waterfall of the Fallen, we have been working with the MONA team for a number of years but we pinched their idea there, this has the names of all the fallen and there is a commemorative wall there. We extend with our accommodation through here, all the way through. It is in line with the MONA vision. One of the master plans looked really good, the only problem with that one is that they protrude out through Macquarie Wharf and cause a problem with the Antarctic supply base that is going to be there, and the building opposite the Doone Kennedy Aquatic Centre. This is an interactive wall here, so that instead of the little signages near the Royal Engineers' Building that says that Salamanca Market is on this weekend, this becomes the activation point coming into Hobart. Again, working in conjunction with the RSL, this was supported by all of their members.

When we look at the stadium seating, this is the only time I will crow at any time, but we are not 12 months away from showing you what the stadium looks like. We are here now, we are doing the seating and we are working out how we can expand it with a very minimal cost if required. The stadium is based on the MCG size, because with that it means that Test cricket and the like can be there because we have a retractable roof. We are not trying to impact on Bellerive, we are just giving as many options as possible. The other reason for having a retractable polymer roof is that the stadium points direct north and it gets maximum sun east-to-west going over it. That is based on generating efficiencies on the turf management. The cost of maintaining turf is a huge factor. Casimaty supplied the first stuff for Marvel Stadium and they got torched really badly because of having to replace the turf. There were too many areas in it that did not get enough natural light, so they have to use that artificially which is an incredible running cost energy-wise. That's why we designed that there.

You will notice through here, and these seating areas will be released on the website soon, there is a c-value rating. The ratings are 150, 120 and 90 millimetres, so if somebody is sitting in front of you with a big hat on you can see over the top and you can see all of the stadium. We have gone to that level of looking at how the seating structures are. All of our ratings are all above 108, and so we are between very good to best as we go through. That component has 23,900 seats. Non-structural capacity increase goes up to 27,800, and this is the addition of the red band. To get your bearings, this is the river end and this is the Cenotaph end. When we look at the section of the stadium, we have these areas here where the seating

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would be pre-fabricated offsite, that is an extra cost, but we are not structurally changing the stadium at all. When you looked at the grassed area that goes on top of the carpark, that is the access from this level, so that the transition of adding all these additional seats could be done very easily. It is not disruptive.

This also gives you an indication of the riverside, of looking at the apartments. They have an atrium space running through the middle of them that gets light to all of the bedrooms, but then their forecourt area has large atrium space and is designed so that it gets maximum light. This is an area where we get savings to both groups because this is the concrete core which houses the fire stairs and the lifts and they're shared between the stadiums, but they're secure access to go into the apartment area, so people that are going to watch a sporting event can't access those spaces. Then there is a 3 metre wide concourse that runs around the perimeter of the apartments as well.

**CHAIR** - The same as Adelaide Oval, that's how it works there.

**Mr COLEMAN** - Yes, huge savings in that and as I say the \$745 million for our stadium, we have no issues of guaranteeing that because we know that the cost if we were building it as a standalone would be \$1.2 - \$1.3 billion as well, but we're sharing costs. Again, looking back through the other way, these are the configurations that have been looked at so far, critically athletics, that is the international athletics side, so looking at daresay a Commonwealth Games, you can have international meets being held here, cricket, AFL, NFL, soccer, concerts, rugby.

Basketball is an interesting one. The basketball for the Olympics in Paris is being held at a soccer stadium that's been provisioned with a very large curtain wall that drags across and so you've effectively got the natural amphitheatre here with our maximum seating. So that has the ability of offering something for larger games going into the future.

As for concerts, again we're looking at an amphitheatre going around there. If you watched the grand final when Kiss played at the MCG, their set-up was right in the middle of the ground. What we're doing is offering a number of the international touring groups the flexibility and this gives us the 28,900 people sitting around the stadium, but you're going to get at least another 15,000 to 18,000 people on the ground. We're still defining the numbers on that.

Again, I mentioned the football for the purists, that our storage zone off to the side of the stadium has waffle padding and seating, so this stadium is very similar to Optus Stadium in Perth where the first tier of seating is a metre and a half above the ground so that you are looking out over, which means that we can have three seating levels here which doesn't disrupt any of the viewing from the rest of the stadium. Again it's akin to the basketball side because it's giving that real entertainment factor there.

Effectively that's the project in total and again the Cenotaph and the viewing points from the Cenotaph have all been maintained hence the RSL have been such strong supporters.

**Mr LENNON** - I'm going to let Dean take a sip of water and get his voice back and just finish the introduction then we'll be available for questions. Perhaps you can consider going in camera so that we can discuss the financials.

## PUBLIC

So as you've seen from Dean's presentation, our proposal is affordable and truly multi-purpose. It fits properly on our proposed site. We began planning our project back in May. Much of the IP and baseline studies emanate from Dean's company's work, SolutionsWon, that they undertook when they were pitching the site to Government for a new Royal Hobart Hospital to the then Hodgman government. We would estimate between \$5 and \$6 million has been spent on this work to date. Discussions with Government commenced back in June, initially a meeting with the Premier. The challenge laid out for us then was to get the Hobart City Council, the RSL and the Regatta Association on-board. Job done there.

Since June we have had a lot of engagement with the Government including the Premier's Office, the Minister for Stadia, Nic Street and his office, and the Office of the Coordinator-General, specifically Jon Perrett. This engagement included providing regular updates on feedback from stakeholders, design work, costings and advice on what signals the financial markets want to see from Government to demonstrate that the Premier was prepared to seriously contemplate our project, with the stadium component being a PPP structure.

On 16 October [2023] we provided the Premier with a formal proposal that included a draft MOU - a draft of which had been provided to Government already through the Coordinator-General. The MOU sets out terms and the process via which the Government and the private consortium could engage on the project.

The terms and the process proposed in the draft MOU, largely follows practice that has been used in other PPP structures. We have engaged extensively with stakeholders. To date, we have strong support from the Hobart City Council, including from the lord mayor and her elected colleagues. The RSL, who remain strongly opposed to the Macquarie Point Development Corporation option, because of the impact it will have on the Cenotaph, and the Regatta Association, are all on board with us.

In addition, we have engaged extensively with the Tasmanian Symphony Orchestra, the TCCI, the Tourism Industry Council, the Property Council and the Federal Group to name a few. We have also briefed the Liberal independents, the parliamentary Labor Party, the Tasmanian Greens, David O'Byrne and Kristie Johnston. In addition, we have invited the public to engage with us through our website, Facebook and Instagram. We have been overwhelmed with the show of support we've received to date.

The public knows that we cannot afford a new stadium without substantial private investment and that the best site is off the Regatta Grounds. That car parking is an essential component of any stadium structure. The private sector will not participate in a PPP structure on the site proposed by the Macquarie Point Development Corporation. The public knows that the Cenotaph must be respected and not impacted by a new stadium. Our proposal will create an iconic gateway entrance to Hobart from across the Tasman Bridge. It can become our Opera House. Our multiuse development can be built on Macquarie Point incorporating part of the Regatta Grounds and reach into the river through a minor reclamation.

Again, we thank you very much for the invitation to join you this morning, to explain our project and we have asked you to consider going in camera so we can discuss some financials.

**CHAIR** - We'll ask some questions in public session first.

## PUBLIC

**Mr LENNON** - Okay.

**CHAIR** - And we'll do that at the end but we need to try to keep our answers pretty succinct, otherwise, we're going to run out of time.

With regard to the process. Are you able to provide an even in camera copy of MOU, the draft MOU to the Committee?

**Mr LENNON** - We'll take that on notice. We probably need to -

**Dr Broad** - But that hasn't been signed by Government.

**Mr LENNON** - No, I think we - yes, we could.

**CHAIR** - Yes, okay. Do you have a Gantt chart with a project plan that identifies the pathway to feasibility as to when the financial viability and certainty clicks in line with the project as it unfolds?

**Mr COLEMAN** - Yes, we have and we'll send that through.

**CHAIR** - Okay.

**Mr COLEMAN** - Because a critical part and the reason why we've become so active in the last couple of weeks is the clock is ticking big time with regards to the milestones in the AFL Government contract.

**CHAIR** - Okay. The Gantt chart actually identifies all these key decision points and what point it becomes financially viable?

**Mr COLEMAN** - Yes, but it's a Gantt chart that's not 100 lines long. It's a Gantt chart of the critical ones as when I put up the PPP structure.

**CHAIR** - Sure. In terms of the risk to the Government, we'll talk about the financial risk perhaps shortly but in open session what can you tell us about how you limit the financial and construction risk to the state Government?

**Mr COLEMAN** - The risk is borne by the development team. That is in a contractual commitment because it's a design and construct under the project. Everybody has signed up accordingly in that project. It's from the builders, the consultants, everybody. The consortium is wearing the risk because it's a fixed-price contract. Back to your point with the - builders that will be spoken to are tier 1 for a reason. Multiplex didn't go broke in Perth because they're a tier 1 builder. They had the same issue with Wembley Stadium because they went across to the UK to rescue that project. From that side, it's managed well by having the right project team and the right people leading from the front, but it is contractually obligated that there is no risk.

**Mr WILLIE** - On the risk, if costs blow out, will there be provisions in the contract to revise the project and downsize?

## PUBLIC

**Mr COLEMAN** - No. No, the cost blowout - that's back on the development agreement between our group and they have to wear that but cost. The right way of doing a project is we've costed everything to date properly, we have looked at our risk areas, so we are not throwing a \$745 million number out there. When we go to in camera I can show you the amount of work that has been done. We also have a contingency sum built into the project. Any proper project should have a minimum of 10 per cent contingency built in and we have that on the stadium project and on the other developments.

**CHAIR** - 10 per cent contingency?

**Mr COLEMAN** - Yes. Also, within the development aspects, when we look at construction pricing, the sensible way of doing things is to be a little bit heavier on the costings you are expecting. On the sales perspective, your income being a bit lighter, because that builds another buffer in. The team involved are experienced in projects that are over \$2 billion. They have worked on these types of deals for a long time.

Solutions One, we are not the biggest company in the world, but we opened the GE oil and gas facility in Jandakot, a \$240 million project. The then prime minister Julia Gillard opened it. From that perspective, we had a great team and it is running the boat properly right from day one, which is what we have done here. We are looking forward to going to the next phase, because there are so many more things that we want to announce which we cannot do without a level of commitment moving forward.

**CHAIR** - Does it rely on a level of off-the-plan sales of the apartments to be successful? What is that level if it does?

**Mr COLEMAN** - The only reason I smiled then, Ruth, is because I had two emails last night: one wanting 10 apartments and another wanting 30. COVID-19 highlighted Tasmania as a safe place to come to. We are looking at the apartments being about \$2.4 million. If they were in Sydney Harbour or anywhere else in Australia, they would be \$7 million or \$8 million there. They are very spacious, they have big floor to ceilings, when you look at the rendered images -

**CHAIR** - These are a level that you would have to sell off the plan to make it viable, that is the question. Do you know what that is?

**Mr COLEMAN** - Fifty per cent.

**CHAIR** - Okay. Meg, I will just go to you.

**Ms WEBB** - To follow up, you asked about the Gantt chart and timeline. What do you have in mind or what you have proposed to the Government that can tell us about the planning approval process you will be seeking to be used here? The Projects of State Significance process has been considered for the current Government proposal, there is a Major Projects option, or there is the Hobart City Council who could do it.

**Mr LENNON** - It will either be the POSS process or the Major Projects route.

**Ms WEBB** - Have you put it to the Government which of those, as proponents, you are interested in?

## PUBLIC

**Mr LENNON** - No, we have not. We are not concerned if it has to be a POSS process through the parliament. That will depend on parliamentary sitting schedules because the clock is ticking. Either the Major Projects or the POSS process would be the appropriate course of action here, given the size of the investment, the size of the public commitment required.

**Ms WEBB** - Do you regard both of those as doable within timeframes that are there? Even with the Government's proposal at the moment, it looks very difficult to do a POSS process within timeframes.

**Mr LENNON** - We believe so.

**Ms WEBB** - You seem to be more advanced with the material you would be ready to provide into a process.

**Mr LENNON** - We believe we can make the timetable. Where we would question the ability of Macquarie Point Development Corporation to meet the timetable, but that is a matter for them to explain. We are confident we can meet the timetable. We believe one of the reasons why we could meet the timetable with more certainty than the other option is because we have widespread public support already obvious for ours, including the Hobart City Council, who are an important stakeholder, no matter which site you are considering.

As you can see, the current Government proposal cannot be proceeded with unless they have the cooperation of the Hobart City Council to push a new road through the Regatta grounds, otherwise they are going to landlock Macquarie Wharf. Dean has already explained to you the difficulties they are going to encounter in trying to do that. Both projects will run up against a strict timetable required by the AFL in that agreement, but we believe that we can meet that.

**Mr YOUNG** - You said before you are relying on 40 per cent of commercial to cover that for the housing. Is that going to be for the apartments or is that across the whole precinct?

**Mr COLEMAN** - It comes across from the whole precinct; when we go into the financials you will see that the apartment one is a main contributor. The other ones are smaller chunks.

**Mr LENNON** - That is the \$120 million.

**Mr WILLIE** - In terms of commitment from the Government, what sort of timelines are we looking at?

**Mr COLEMAN** - The clock is ticking, Josh. Back to Meg's commentary on the timeline, the one fortunate thing that our consortium has, is that the reports that I mentioned that we have in our possession from our previous bid - that is 6-9 months' worth of work which has not been done on the other site, with the archaeological and historical component, and the Aboriginal aspects as well.

**Mr WILLIE** - You are bringing a lot of interested parties together that will peter out unless you get some sort of commitment from Government.

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**Mr COLEMAN** - The interest is unbelievable. Even I am blown away by it at the moment. There is a large international engineering and construction firm with a significant basis in Australia that are wanting to fly down to put their hat in the ring to look at being part of the construction partner. The financial players are just salivating at the opportunity because it is a very big project. We don't want to go into Christmas, we are seven weeks away from the Christmas shutdown now.

**Mr WILLIE** - You have given the Premier a deadline to sign an MOU.

**Mr COLEMAN** - I would like to because it is so paramount. We do not want to be beholden to the AFL.

**Dr BROAD** - What are your go- and no-go points, and what are the time lines on that, when you decide on whether the project should deliver or not?

**Mr LENNON** - Maybe I can jump in there, Shane. The go-point is, clearly, securing the tier 1 financial partners. To secure the tier 1 financial partner, it has been made very clear to us by all of the ones that we have spoken to directly so far that they want to see that the Government has a level of seriousness, and that they are interested in this proposal.

It has been made clear to us that they are not interested in a PPP structure on the Macquarie Point Corporation development site, because they cannot see how the private sector can become involved. Until the Premier is prepared to respond to the letter that we provided to him on 16 October 2023, in a manner that provides that comfort to the tier 1 financial players - primarily based in Sydney - then we are not able to answer the big question on everyone's minds: and that is, how it is to be funded.

**Dr BROAD** - You have discussed an MOU with the Government. I am assuming that the MoU has not been signed, but would that MOU be the comfort that is required for the financial partners?

**Mr LENNON** - Yes, it is one of the comforts that is required. Our letter explains to the Government the comfort that is required. The MOU lays out the terms and the process, largely for the interaction between the Government and the financial partners. As I explained in the introduction, anyone who has been involved in a PPP structure and understands the process would recognise many of the clauses, because they are in effect white label. To get people interested in a project this size, they need to see that there is a level of commitment from Government.

**Mrs ALEXANDER** - Thank you very much for the presentation. It is offering a lot of information. You have indicated that you have been talking to the State Government since June, and then about three weeks ago they rushed out and released their own plan ahead of you releasing your plan on Tuesday of the following week. How genuinely do you think the State Government is engaging in considering option B?

**Mr COLEMAN** - From the press earlier this week there was an acknowledgement of our project. If I go back to the announcements, how they coincided was quite ironic, because one of the charters from the Government was to get the [City of Hobart] Council on board. To get the full Council on board, we had to present to all the elected members. We specified a



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date that that was going to be done by, which was the date two weeks ago, and that we were going to effectively go live and let everybody know about the project the next day.

We had kept it confidential up until that stage, only because we needed to make sure that every single stakeholder was on board. We stressed that we wouldn't have proceeded any further if the RSL weren't supportive of us because they're a pivotal player. It's the same with Ross Doddridge and his team from the Regatta Association. It was just ironic that theirs came out on the Sunday. We were always going on the Wednesday. We had to because, once we'd gone to the elected members, it was going to break.

Then, critically for us, the reason we released quite a few of the drawings - because a lot of people say, 'They're pretty drawings' and things like that - but you've seen here that we have the seating allocations. I've made them colourful so it's easier to look at; but behind that is all the structural integrity that goes with it.

**CHAIR** - The engineering design?

**Mr COLEMAN** - The engineering design is in the early stages. We're talking, Ruth, \$15 million-\$20 million worth of design work from architects and consultants because that's the size of the project. When I talk about stage two planning, it gives the ability for the various constructions parties and the like to be able to do proper costings. It's primarily for Hazell Brothers, who are a partner of choice in this project. On the time framing, we've looked to see if we can achieve what we would normally call an early works package of doing the excavation and have the base platform ready to go, and also construct the workers' accommodation so that we hit the ground running, effectively, in the end of 2024 - which we're now only 12 months away from.

**CHAIR** - We might go in camera. Meg, if you have a quick question?

**Ms WEBB** - You've mentioned June as the date you started engaging with the State Government. Are you able to provide us with a specific date that you had first contact?

**Mr COLEMAN** - Yes.

**Mr LENNON** - If we can take it on notice, we can check for you.

**Ms WEBB** - Thank you.

**Mr YOUNG** - In your consultation, have you spoken to TasPorts or Macquarie Point Development Corporation?

**Mr COLEMAN** - Members of our team have spoken to them but, effectively, in the manner not representing Stadia Consortia Precinct because, again, we were trying to make sure that it didn't leak out. It's the cart before the horse a lot of the time.

**CHAIR** - We know the State currently owns the site and you're in a legal process to consider the ownership of the land. Who will own the land during the construction?

**Mr COLEMAN** - The consortium. It will be transferred across. The lawyers are working on that now.

# PUBLIC

**CHAIR** - Who will own the land at the end of the project?

**Mr COLEMAN** - The land that the stadium's on?

**CHAIR** - Yes.

**Mr COLEMAN** - The Tasmanian people will. They own the stadium from day dot.

**CHAIR** - They'll own the land and the stadium.

**Mr COLEMAN** - Yes. Like a development; the land is purchased and the people who own their apartment, they own the apartment. It's not rental, it's stratum-titled. But, the stadium will be owned by the Tasmanian people.

**CHAIR** - If you step out briefly for a moment and clear the room. We need to discuss going in camera. It's a formal process we need to undertake. If you step outside the room, both of you, for the moment and we will stop the broadcast.

**Mr LENNON** - Before you do, my diary records that the meeting with the Premier was on the afternoon of 15 June [2023].

**Ms WEBB** - Thank you.

**CHAIR** - Step out for a minute and we'll stop the broadcast.

**The Committee suspended from 10:19 am to 10:21 am.**

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## PUBLIC

**THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET  
IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON FRIDAY,  
3 NOVEMBER 2023**

**INQUIRY INTO THE TASMANIAN GOVERNMENT'S PROCESS INTO THE  
PROPOSED ARTS, ENTERTAINMENT AND SPORTS PRECINCT IN HOBART**

### OUT OF CAMERA

**CHAIR** - Thank you for this information, we will go through *Hansard* and check those other areas that can be made public and liaise with you to achieve that. Dean, you mentioned earlier Stadiums Operations Limited. Can you describe who they are?

**Mr COLEMAN** - That is just the operational company that will run the stadium, providing the facility management to make sure that the turf is mowed, the lights are on - things like that. Part of the PPP structure is that is a pivotal component, because you are having to underwrite the operational risk, which is a key parameter of the delivery contract, but also maintaining the value of the asset - in this case, for the Government and the Tasmanian taxpayer - so that, at the end of the 25 years, the asset is in the same condition that it was when it opened for business.

**CHAIR** - We have talked about the Tasmanian Government's financial contribution, but in terms of the benefits to other parties like the Hobart City Council or anyone else like that, are you able to provide any further information in terms on return investment, because you said that the stadium will be owned by the state.

**Mr COLEMAN** - The key component of it is that, it is no secret that the RSL or the Regatta Association is very heavily taxed on funds with regards to the services that they provide. In the seven years that I have been working with them, their costs have gone up by 900 per cent. Part of the deal with the Regatta Association and the RSL is that they get a very simple financial input from the car parking structure that, for two days a year, the car parking proceeds go to the RSL and for two days a year they go to the Regatta Association. It is a very simple model.

The carpark will earn  $x$  per annum divided by 365 multiplied by two and that will be distributed on a quarterly basis. That is once we're up and operational. It's not an incentive for them to come on board or anything like that. The other component is that the museum for the RSL is currently housed at the Barracks. The access to the Barracks over the last few years has been reduced even further so they would like to see that there and that gives them another income stream. That would be manned by veterans.

The Regatta Association have got in with the Hobart City Council with a request for \$6 million to redo the grandstand. Under this structure, the regatta stand goes. There's a new facility built down on the waterfront which means that similar to the Sandy Bay Regatta - what used to be Prossers Restaurant - that operates for 50 weeks of the year and then a week either side of the regatta that's handed over to the Regatta Association to run and it's a similar structure here. It gives the Hobart Regatta team the ability of making some very serious money moving forward, but, also, it's 168 years old. It's a heritage-listed event.

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I've been blown away with the level of support from the stakeholders. When you look at the Macquarie Point master plan that was put out, there was social housing put right on the waterfront area where you launched the boats, so it means the regatta has to move. Zero consultation. So from that aspect they get all of their facilities and services back. They can expand it because the mantra from them is to make the regatta great again.

**CHAIR** - We are running out of time. Maybe we can put these on notice to you. I'm interested in who will own - we've talked about the stadium - the public space around it, the supporting infrastructure such as the access roads and things like that, the proposed hotel or the private hospital.

**Mr COLEMAN** - To quickly go down the list there, Ruth, the green area you can see from the vision and especially with the fly-through animation of it, the green space is all maintained and it's still left for the Tasmanian people. That will be maintained by the council. We did offer to mow the lawns but the council would like to do that. The hotel aspect, that's owned by the operator. On the roads, public access ways up and to the boundary coming into the carpark, that is state roads, same as it is now. The maintenance and access of the other facilities within the stadium are all under Stadium Operations Ltd and they're done and apportioned to each of the players at their percentage cost.

**CHAIR** - Again, in terms of the geotechnical work, there's obviously more that needs to be done. You've talked about Sam Ibbott's company's involvement with the marine studies. The environmental impacts and all this are being assessed now or is that through the party assessment process?

**Mr COLEMAN** - They were done before. With the marine studies, those reports are only valid for two years. We just have to get that revalidated. With that, we're doing some other work because on our previous project we weren't going as far out into the water. We were going to the water with the hospital but this is going a bit further. Our key component and the reason why we have such really good experts in it is that they're looking to how we improve the quality of the water and the marine life there.

On the geotech side, we've done significant geotech work before. With rock, it runs in seams. If you walk around by the Royal Engineers Building, you will see it. There's a lot of bedrock in that, so river rock, and so it's easier to dig. We want to make sure that where we do our first cut around where the Cenotaph is and the way that it's done is that you cut effectively what is like a moat to isolate that zone so then the work that's done as you cut, dig and drag everything down, there is a vibration isolation to the Cenotaph so there is not any damage.

**Ms WEBB** - The structures on the city side where again, I think, you're cutting away a bit into the hill and putting, I think, the apartments and the private hospital, what are the indicative heights on that side? Particularly, I suppose - not knowing how far you're cutting done - maybe in terms similar to the Cenotaph.

**Mr COLEMAN** - If we use the base of the Cenotaph and call that zero zero, the highest point of the private hospital is zero zero, so we don't impact any of the view looking back up Davey Street, Macquarie Street and back to the city and the mountain. As we go around and we start with the hotel convention centre, that is still zero zero until it gets to the stadium and then it steps up and the highest point of that is 22.5 metres.

## PUBLIC

**Ms WEBB** - That structure though, I think it is apartments, so you're coming down the highway into the city, on your presentation it had the big entrance into the building?

**Mr COLEMAN** - That structure is above zero zero. Is well and truly below the Cenotaph but it's the only structure on that side.

**Ms WEBB** - So that doesn't exceed the Cenotaph either?

**Mr COLEMAN** - No, it's three storeys above zero zero, each storey is 3.2 metres, so effectively 10 metres above ground level

**Mr YOUNG** - Just so I get it in my head, the excavation part of it that's mainly the car park? Is that the rough area we're talking about?

**Mr COLEMAN** - Yes and then all of that Jurassic dolerite is used, put down as the platform for the ground and the apartments, but the other key component to note is when you saw the red lines that I put on the drawing and presentation, as we run into the river that is still dolerite, so it's very firm ground. So for our pylons, we're not going down 20 metres or 30 metres or anything like that. We know how far we have to go down.

**CHAIR** - All that drilling's been done and confirmed?

**Mr COLEMAN** - Yes, with Hazell Brothers. That loading aspect is not a heap of load. The engineering side and the way that it's all tied back in is a very clever structural design, but also we apportion that the heaviest load on where we've excavated out, so we're effectively tying ourselves back into the ground.

**Mrs ALEXANDER** - How many social and affordable houses do you think you will end up with at the end of the project?

**Mr COLEMAN** - At the moment there is 311. The way that will be designed is that there will be modular structures that sit on top and as we go up another floor, it's another 111 on top. So we're looking at 300 minimum but it can be increased.

**Mrs ALEXANDER** - Maximum of 500?

**Mr COLEMAN** - Yes, it could be expanded because there's a lot more land left on Macquarie Point, but I think that Macquarie Point should be a really nice big green zone so that it will blend in with the whole zone.

**Ms WEBB** - Just to quickly follow up on that one if I may, with indulgence. The public and affordable housing, are you anticipating a mix of private and public ownership, so the Government, say Homes Tasmania, owns and operates the public aspect of that and then private property developers operate the affordable, or both?

**Mr LENNON** - If I can jump in there Meg, because this is an area of particular interest to me, my vision down there is for that, just what you said, a mix of public and private housing with a number set aside specifically for people with disabilities.

## PUBLIC

**Ms WEBB** - We wouldn't anticipate generally putting such a large block of just say public housing there.

**Mr LENNON** - No, we want to see a mixed community, that's right.

**Mr COLEMAN** - You'll see on our website the team members, and Drew Beswick and David Mazengarb from Possability Lifestyle Solutions have been advising on the social aspect. A critical part - and there is carparking around that - but its fully flat. The thought into every zone has been done with experts within that field. I like to say I'm an expert in everything, but I'm not. The team is a sensational blend.

**CHAIR** - We might just have to wrap it up because some of us have another committee meeting to go to. Thank you for your appearance today. If there's other things you think that you need to provide to the committee in terms of the discussion that we've had please feel free to shoot it through as quickly as possible. We will try to get the transcript done and available fairly promptly. Assuming we get that in a timely manner we'll send the in camera section to you to see what areas you would be happy for us to make public in that. That would be great.

**Mr COLEMAN** - Yes, thank you and if you have any other queries feel free to -

**Ms WEBB** - For those watching, the presentation will be a tabled document.

**CHAIR** - Yes, we'll table the presentation without that one sheet in it. So that'll be received as a tabled document, which can then be released publicly. Thank you very much.

**THE WITNESS WITHDREW.**

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