

# PUBLIC

**THE JOINT STANDING COMMITTEE ON PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 24 MARCH 2023**

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

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**Hon Mr GUY BARNETT**, MP, was called and examined.

**Mr KIM EVANS**, SECRETARY, DEPARTMENT OF STATE GROWTH, **Mr GARY SWAIN**, DEPUTY SECRETARY, DEPARTMENT OF STATE GROWTH, and **Mr BRETT STEWART**, DEPUTY SECRETARY, DEPARTMENT OF STATE GROWTH, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Ms Forrest) - Welcome, everyone. Minister, I invite you to make a fairly succinct opening statement. We're here to ask a lot of questions and we may run out of time if we don't keep our questions and answers short. Over to you, Minister.

**Mr BARNETT** - Thanks very much, Chair. Thanks for the opportunity to be here today with my colleagues. I would like to introduce my Secretary, Kim Evans, then Gary Swain, Deputy Secretary, and Brett Stewart, Deputy Secretary.

The Rockliff Liberal Government is committed to strengthening our State's future and investing in significant infrastructure projects, growing our economy, creating more jobs - that's our objective.

We are also committed to seeing Tasmania's dream of realising our own AFL team, and we're now closer than ever.

The investment from the AFL and Tasmania into a 23 000 seat stadium, combined with the injection of more than \$85 million per year during construction, is a \$300 million investment, delivering 4,200 jobs and, ongoing, a further 900-odd jobs over a couple of decades or more. It's a \$2.2 billion boost to the Tasmanian economy. It will attract new opportunities, industry, investment and events to Tasmania and deliver the same positive impact that other stadiums in other cities have had - for example, Optus in Western Australia, and the redeveloped Adelaide Oval.

The AFL Taskforce report in 2019 - which we can talk more about - obviously kicked it off, noting the specific economic returns of some \$125 million per year that the Taskforce report made reference to.

The development is consistent with the Greater Hobart Plan. I'd like to share that, and it will provide opportunities for urban renewal. I'm particular, as Minister for State Development, Construction and Housing, I am very supportive of that opportunity to open up the Northern Suburbs Transit Corridor, open up opportunities for housing in and around that corridor and elsewhere.

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Clearly, as the City of Hobart, it will also open up opportunities for the Antarctic and science precinct; it will lock in Hobart as being a gateway city to the Antarctic for the next 50 years or more.

The arts, entertainment and sports precinct is more than just a stadium. Macquarie Point has close proximity to the Hobart CBD. The topography and connections to the water offer the opportunities for ferries on the Derwent River, and of course opportunities to be an iconic waterfront precinct destination, hosting opportunities to grow our economy, create more jobs and to be consistent with the Tasmanian brand: clean, fresh, pure, natural.

I would like to think that this development is consistent with the renewable economy that we are moving into, while providing confidence and certainty for the future of the construction industry, with those 4,000-plus jobs during construction, and then of course ongoing.

The opportunities for a conference and convention centre are very significant. We are currently constrained when it comes to conventions, with capacity for just over 1,000 people, so this will absolutely open up opportunities for conventions that we are currently losing to Geelong, the Gold Coast, Townsville and other places. We want to be that destination to provide a boon for our visitor economy - and that is what this precinct development will deliver. We are very pleased to be able to support that.

In conclusion, I will note that Tasmania has seen the positive benefits from the JackJumpers. We have seen that positivity, we have seen the support. We have seen the grassroots development of not just basketball but sport more generally. Those facts and figures are on the table. This development will provide opportunities for the same grassroots support of sport and recreation all around Tasmania.

As a Diabetes Australia ambassador, I am very aware of promoting healthy lifestyles, and I think that should also be noted in terms of opportunities for promoting grassroots.

I will conclude there. We want to see that Tasmania is treated fairly, including being part of a national team - and it is not just the AFL, it is the AFLW women's team. It will bring on jobs, economic activity, visitors to Tasmania, and lock in this urban renewal opportunity like we have never seen before.

**CHAIR** - Thank you, Minister. The focus of the Public Accounts Committee inquiry is more about the processes, where the decisions were made. Some of that is addressed to some degree in your submission, but I want to start right upfront and ask you - looking at terms of reference (1) and (2) particularly - about the process to select Macquarie Point as the proposed site for a new stadium.

There are two parts to that. How and when, and what evidence do we have that a roof stadium is a condition of getting a licence? It's an absolute rock solid condition; we cannot have a licence without it? If you can provide evidence of that, and also the process used to select Macquarie Point on the basis of that decision.

**Mr BARNETT** - There are a few questions in there; perhaps to the second question first, regarding Macquarie Point as the site selection. Of course, a number of sites were considered in close proximity to Hobart. That was some time ago, and the feasibility work was undertaken, highlighting Macquarie Point as the most cost-effective and efficient option to base the

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Tasmanian arts, entertainment and sporting precinct. There were six sites, we can run through that -

**CHAIR** - They are in the submission, minister. I am interested in the consultation around that, particularly going back to the question, is there an actual condition? We need to start from that premise that there is, or there is not, a condition that requires a new stadium. If there is not, there are two separate questions here. I need to see the link first, the link to the requirement for a new nineteenth licence for an AFL Tasmanian team to have a stadium.

**Mr BARNETT** - Let's work our way through that. As I say, that was a two-part question and I was dealing with the second part first. It goes back to the AFL Taskforce Report 2019. I know Kim Evans is all over that. It was released in 2019 that a new stadium would be required to support the viability of an AFL team. There were three things that were noted. It found that without the stadium the team would not be profitable or competitive, it would be far more reliant on ongoing government funding, and it would be very hard to attract and retain players. I will refer to Kim Evans to speak to that report to assist the committee.

**CHAIR** - Can you point us to it into the Taskforce Report?

**Dr BROAD** - Where in the Taskforce Report does it actually say that?

**Mr WILLIE** - Where is the recommendation in the Taskforce Report for a new stadium?

**Mr EVANS** - I cannot find the page. It is a very long report but I can take you on the journey about how this has all unfolded.

**Dr BROAD** - In your submission you have said that the team will not be profitable without a new stadium. I cannot find that in the AFL Taskforce Report.

**CHAIR** - Colin Carter said it wouldn't be necessary in his report.

**Mr WILLIE** - There is a discussion about a stadium but there is no recommendation for a stadium.

**Dr BROAD** - I can't find anywhere that says it won't be profitable or work without a new stadium.

**Mr EVANS** - In their report they establish a number of critical success factors - things that need to happen in order for a team to be successful as part of their business case and they are broad. You have to have a sustainable financial model, you have to have pathways, and you have to be able to recruit and retain players. Each of those factors, including others, are dealt with.

One of the critical success factors on page 15 is the requirement for appropriate infrastructure and addressing capital requirements. It is fair to say that the taskforce lays out a strategy whereby they focus in the initial stages on upgrades to existing infrastructure, principally in Launceston, whilst the team is getting up and running. They also make the point that is while you work up the case for a new stadium. They link the upgrade of existing facilities to a longer-term requirement for a new stadium.

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**CHAIR** - If I can come back to the key question, the point: it has been said publicly there is a requirement, a condition of a new purpose-built facility/stadium to gain an AFL licence. Can you provide evidence of that? We will come back to this. Meg has a question on this as well, but can we have that first. If there is no condition, then the commentary that you have just given us, Kim, suggests that those things, that aspect, can wait. There are other things that you need to build, the teams and the financial model for the team.

**Mr EVANS** - I can address that but I would like to put this in the context of the overall story of the taskforce work. The taskforce work provided recommendations to the Government; the Government took those to the AFL. The AFL was in the middle of COVID-19 so they weren't particularly focused on our business case initially but we were successful in getting their attention.

They commissioned Colin Carter to do an independent review of the business case. His report is publicly available. He has concluded that the business case stacks up. When Colin was doing his review, he visited the State. I had several conversations with him and talked about the need for infrastructure. He has lots of experience in this having come off the back of being the President of the Geelong Football Club.

In terms of the AFL's specific requirements, off the back of accepting the recommendations of the report of Colin Carter, we then went into detailed dialogue with the AFL itself around the securing of a licence. The AFL is in a difficult position, particularly the executive management of the AFL, because they need to convince the 18 other clubs that a new team in Tasmania - an understanding we've rejected - one of the options in the Carter Report -

**CHAIR** - A relocation of the team.

**Mr EVANS** - whereby we simply relocate.

We've insisted that if we have a team, it can only succeed if it's a new Tasmanian team. The JackJumpers are a great example of that. We didn't relocate a team from New Zealand or from elsewhere in the country to become the JackJumpers, we built a new team. So that was a requirement that we had.

They have to convince the 18 other clubs to issue a new licence. They need to be certain that a new team will be sustainable, so the financial model is critical to them. Infrastructure is critical to them and, in discussions that we've had with the AFL now for over 12 months, they have worked through what their agenda needs to be met in order to get a licence. One of those is the need for adequate infrastructure and they've insisted that it's a centrally located greenfields stadium.

**CHAIR** - Can you provide evidence of that to the Committee? Can you table a document that shows that requirement?

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

Just three weeks ago we had Gill McLachlan in town at a lunch attended by 250 people. I was at that lunch; a whole range of business people and community members were at that lunch; and he was absolutely unequivocal. He said: 'No new stadium, no new licence'. He

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wouldn't be able to convince the 18 clubs and his commission to support a nineteenth licence without -

**CHAIR** - When was that decision first made - that there has to be a new greenfields stadium? When did the AFL demand that of us?

**Mr EVANS** - It's been part of the negotiations that we've been having for -

**CHAIR** - Through you, Minister, the matter here seems to have gradually evolved. It wasn't part of the original conversations. There was talk about infrastructure, yes, but at the outset of the discussions a new purpose-built facility didn't appear to be a requirement that was critical.

**Mr EVANS** - I beg to differ on that, to be honest. We've got a number of things. We have an AFL taskforce report. And we were lucky -

**CHAIR** - It doesn't call for a brand-new stadium.

**Mr BARNETT** - Sorry, Chair, I would like the witness to have the opportunity to respond. The Secretary was about to outline the answer to the question. I would ask if you could allow the Secretary to continue.

**Mr EVANS** - We were very fortunate to get a very high calibre group of people to put their mind to the business case for an AFL licence. They have gone straight to the need for adequate infrastructure. They have established the need for a new stadium. That's there in their report.

**CHAIR** - Well, no, it's not.

**Mr BARNETT** - Not as a recommendation. It's a prerequisite.

**Ms WEBB** - No, it's not but we can get to that after.

**Mr EVANS** - To be fair, it's irrelevant. The taskforce is laying out their business case for a successful team. They don't make the rules. The Government and the AFL make the rules. The AFL taskforce gives us advice.

**CHAIR** - So, the AFL can dictate to us where it should be?

**Mr EVANS** - No, they can't.

**Ms WEBB** - You haven't answered the question.

**Mr EVANS** - I can take you through the process of how we've got to conclude that Macquarie Point is the right site.

**Ms WEBB** - That's the next question. You haven't answered the first one.

**Mr EVANS** - I'd like to finish my answer to this question first.

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In our discussions, both through directly with the Government and taskforce to the AFL, I think it is fair to say that the AFL has said that a new stadium, through discussion, through negotiations, is a prerequisite. They haven't changed the rules. They were their rules from day one.

**Ms WEBB** - Where is that documented for a start? Can you table or provide us with documentation that it was there from the start? It certainly wasn't part of the public conversation from the start.

**Mr BARNETT** - Which requirement?

**Ms WEBB** - The requirement for a new purpose-built stadium, as a requirement for acquiring a licence. Provide the evidence to it.

**CHAIR** - I understand that Mr McLachlan has made it clear at lunch that there is no way the 18 presidents will agree without it, but when did it first become a requirement? That is the question here: the evidence, the piece of paper with Mr McLachlan's signature on it, or whatever it is, saying that it is a requirement?

**Mr EVANS** - Well, he didn't write a recipe book about all of his requirements, and I would say that it's not with just Mr McLachlan, it's with the broader executive team of the AFL. We have had numerous conversations with them, as has the Taskforce. It is fair to say that the Taskforce, in their discussions with the AFL, initially pushed back on the need for a stadium as a prerequisite, but the AFL can determine that it is a prerequisite, just as a financial funding model is, just as a player retention and attraction strategy, just as training and administration facilities are all prerequisites -

**CHAIR** - Going back to this then, going back to your submission, and back to the question about it was at some point in time when this was made a condition, a requirement of getting the nineteenth licence. How did the decision then from that point, and we saw publicly, Mr McLachlan say that Macquarie Point was the site?

**Ms WEBB** - Before we move onto that, Chair, can I just make it clear, I think as a Committee, we have clearly called for documents here -

**CHAIR** - We have, and they'll provide those -

**Ms WEBB** - clearly called for documents at the earliest time, that this in writing became a requirement to receive a licence. So we have a clarity on that call for documents?

**CHAIR** - Yes.

**Ms WEBB** - Thank you.

**Mr EVANS** - I can't commit that I can provide a document. I can outline the process.

**Ms WEBB** - There must be a document that has that detail in it at some point. The earliest document you have -

**CHAIR** - Communication from the AFL -

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**Mr BARNETT** - Can I perhaps assist the Committee. The Secretary was outlining the process in terms of the first document, which was the AFL Taskforce report and the Carter Report -

**Ms WEBB** - Yes, but that's not the request.

**Mr BARNETT** - Well, the Carter Report reflected on the Taskforce report -

**CHAIR** - That clearly stated that a new stadium wasn't required -

**Mr BARNETT** - and it is outlined in the reports and then it is an iterative process, but I know that the Deputy Secretary would like to make a contribution.

**Mr SWAIN** - I was just going to make a general comment that it is normal in a negotiation or a discussion that things are exchanged verbally, and then they are formalised in an agreement at the end of the process. We are now entering the end of the process, which is why it's been documented fully now. That is the standard form of agreement -

**Mr EVANS** - Just to support the Deputy Secretary's comment, that is exactly the process when I went through with Larry Kestelman in negotiating the JackJumpers licence and stadium. He made it clear on day one: if you want a licence he needs facilities for the team to play in. That became a pre-condition and we negotiated around that, and we have negotiated a series of term sheets which related to the licence, the support for the team, the upgrade of MyState Bank Arena and broader other developments, all of which came together at the end, and we are at the end of this process.

We have gone through a series of negotiations, through which a number of pre-conditions for a licence emerged. We have not touched on the training and administration facility, but most critical thing in terms of having a successful team by 2027 is that we get training and administration facilities.

**Mr WILLIE** - I think that the timelines are important here, because we did have a Premier at the time announce the stadium in Parliament, so we want to line up some of the timelines and the dates with that announcement from the Premier as well.

**Ms WEBB** - Perhaps if I can ask a specific question to follow up?

**CHAIR** - The timeline is what is important here, when the first decisions were made, and what requirements were in place at the time. When Premier Gutwein first said basically what he said about, 'it'll be our own team or no team' effectively. Then, the process around that from there. If I could ask if there is any question then?

**Mr BARNETT** - Before that, you are talking about, or a process from there?

**CHAIR** - Around that, and since then.

**Ms WEBB** - Specifically, I think, following up on evidence already given this morning by the Secretary, who has said that it was always a requirement from the AFL from day one. At what time did the State Government agree to that requirement? In the process of negotiation

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back and forth, back and forth, there must have been a point in time at which the State Government agreed to that requirement as part of the process. What was the date that that occurred?

**Mr EVANS** - I can recall that in the State of the State Address, Premier Gutwein announced some detailed work into the feasibility of a new stadium. He released the site selection process and his preferred option around Regatta Point.

**Ms WEBB** - Was that the point at which the State Government agreed to the requirement that a new stadium be delivered in order to get the licence?

**Mr EVANS** - I think we had reflected on the Taskforce report, and on page 50 of the Taskforce report they go into some detail about a critical success factor being a new stadium. We had reflected on that and taken their expert advice and accepted that advice.

We understood through our discussions with the AFL that in order to get a licence, we would need to be able to produce and develop a new stadium. It was at that point, or some time before the state of the state, the then premier asked us to do some detailed work around site selection. We engaged some expert consultants and expert advisers on those options, and produced that report, which enabled the premier of the day to make a decision that Regatta Point would be the preferred position. He made it clear at the time that more detailed work needed to go in. If you go to that report, it identifies Macquarie Point as being the preferred option, Regatta Point second. But for reasons best known to the Government, they chose Regatta Point over Macquarie Point at that time.

**CHAIR** - Around that process, was any public consultation part of that to get public feedback about the - I think there were six sites, from memory? Six? So, what public input was there, in terms of public perception of what each site's value might have held for a different purpose?

**Mr EVANS** - If you go to the report itself, I can take you through the process. It was a very much initially a desktop process by some consultants, MCS Management and Philp Lighton Architects. When it came down to having identified physically all of the options, they got together a group of relevant experts -

**CHAIR** - I am asking if there was any community consultation?

**Mr EVANS** - No, because this is at the starting point. This is the document that we would take forward to do the detailed feasibility work and the detailed community consultation. But you have to start somewhere. You do not start with a blank sheet of paper.

**CHAIR** - I accept that. So, has there been any community consultation on the Regatta Point site that was the then Premier's preference and then the subsequent Macquarie Point site? We will get to how that decision moved from one to the other, but -

**Mr EVANS** - There wasn't formal consultation because at that point it was pretty much a concept. It had been identified as the preferred site through some early work by a number of experts, which enabled us to discount a number of sites and identify that really there were two viable options.



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**CHAIR** - So, basically, we have got to a point where there was Regatta Point and Macquarie Point -

**Mr EVANS** - Yes

**CHAIR** - Initially Regatta, now Macquarie; and there has been no public consultation?

**Mr EVANS** - That was to be the next phase.

**CHAIR** - That was to be the next phase?

**Mr EVANS** - Along with a whole range of detailed engineering and other reports, which are part of our submission.

**CHAIR** - Are you are saying Macquarie Point is not a done deal yet? It is still subject to a community consultation process?

**Dr BROAD** - The AFL has now said that is decided, didn't they?

**Mr EVANS** - Can I take you through why we have moved from Regatta Point to Macquarie Point.

**CHAIR** - I am trying to understand. You just said that there was to be detailed, in-depth community consultation. It seems to me we are almost at a point where this is the deal. This is what is going to happen, and there has been no community consultation, or consultation with the Aboriginal community who have significant interest in Macquarie Point, for example.

**Mr EVANS** - Sorry, we have ongoing consultation and dialogue with a whole range of critical stakeholders. The Minister and myself have been meeting with the RSL and the veterans, for example. We have had lots of conversations with the Aboriginal community around the ongoing commitment for the Truth and Reconciliation Park. We are in regular communication with the Antarctic community about their needs in the Antarctic and science precinct. I am in dialogue with the CEO of Hobart City Council. These are just some examples of the ongoing communications that we are having.

That is really important, because that helps us to find what is important to them - critical success factors to help inform what a design might look like moving forward.

**Ms WEBB** - To clarify, though, given that you have effectively told us that the Premier's State of the State Address in 2021 - which announced the Regatta Point site as an option, based on the work done in the Philp Lighton report - at that point that was the agreement of the State Government to the AFL requirement for a stadium. That seems to be the answer you gave me earlier, that the State of the State announcement stands as the acquiescence, an agreement to the requirement for a stadium.

My question is: if that is correct, as you appear to present, what consultation with any key stakeholders or the broader community was done prior to that announcement in that State of the State?

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**Mr EVANS** - I am not sure I'd characterise it in that way - that we had agreed with the AFL. What we had accepted was the advice of the Taskforce that we needed a new stadium. We had accepted the views of the AFL that, as part of a successful licence bid, we would need a new stadium - and if that was the case, we had chosen actively to pursue options around a new stadium, because the advice we were getting is that this would be critical to having a successful team - and, hence, critical to getting a positive decision around a licence.

**Ms WEBB** - I'm sorry, but earlier when I asked - given that you said from the very beginning it was a requirement of the AFL that there would be a new stadium - I asked at what point did the Government agree to that requirement. You pointed to the 2021 Premier's State of the State Address as indicative that the Government had agreed.

That is the basis on which I am asking this next question: prior to that point, what, if any, consultation had been done with any of the key stakeholders or the broader community to inform that commitment?

**Mr EVANS** - I cannot speak for the former Premier, and I was not involved in those directly, and the ongoing and iterative discussions with the AFL. They did not personally involve me, so I cannot comment on those.

As part of any project, Governments will make a decision. Bridgewater Bridge is a good example whereby we identify a need, we will do some work on scoping up a project, we will get it to a point where we consult with the community, and we are at that point.

**Ms WEBB** - It seems to be that a decision-making point had already been reached with the announcement in 2021.

**CHAIR** - I think we have this information in the time line we are going to ask for.

**Ms WEBB** - I am interested to hear about consultations that happened prior to that. It has been described to us that consultation is now taking place - and we'll hear more about that, no doubt. But I think it's important to note what consultation with key stakeholders or the broader community occurred prior to that 2021 State of the State. Did any?

**Mr EVANS** - I can't comment on that.

**CHAIR** - There would be records of that from the former Premier's office, no doubt? We will write to you and seek that information.

**Mr BARNETT** - We will make some inquiries.

**Mr WILLIE** - What we're trying to establish here, Minister, is whether the AFL was saying that a new stadium was a condition prior to the former Premier announcing a stadium in Parliament. That's the question.

**Mr EVANS** - Through you, Minister. I don't know unequivocally the answer to that question because I wasn't involved in those discussions, but I would, again, say it wouldn't be unusual for a government to see - based on the taskforce report and the signals out of the AFL - that we needed to turn our minds seriously to a new stadium. That's all I'm saying.

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**Mr WILLIE** - I find this very interesting, Minister, because the current Premier was maintaining in Parliament that the stadium was not a condition of the licence when he took over. So there's a big disconnect here from what we're hearing and what the current Premier has said in Parliament after some of these events.

**Mr EVANS** - I can take you through the thought process and our thinking around the need for a stadium, based on the Taskforce report and some discussions with the AFL, not personally involving me, to get to a point where we decided that it was critical to have a serious look at a stadium.

**Mr WILLIE** - Minister, there's been no public consultation. There's been no discussion around an election. Tasmanian people haven't had a say in this proposal. Who is responsible for the cost blowouts? We've seen some Government projects in recent times, like Brighton High School, 150 per cent over budget. We have the wastewater treatment plan at Macquarie Point that has blown in costs; the Glenorchy Ambulance Station. Who is going to be liable for any cost blowouts?

**Mr BARNETT** - Thank you for the question. I think I made it clear in my opening remarks, and certainly Premier Rockliff and the Government have made it very clear, that we believe this will be of great benefit to the economy.

In terms of budget management, it's our Government that has a record of delivering a growing economy and creating more jobs. The estimates from the hundreds of pages of reports and studies and feasibility assessments indicate there will be a \$300 million boost to the economy during the construction period, more than 4,000 jobs, \$85 million per annum benefit ongoing each and every year to the economy - not to mention the 950 jobs assessed as a result of a very thorough feasibility study and reports.

**Mr WILLIE** - My question, Minister, is whether the State Government is underwriting this project, and will it be liable for any cost blowouts? I'm asking the Minister a question, not a member of the committee.

**Mr BARNETT** - I've made it clear, and I think Kim Evans and others have made it clear, that we are confident in where we are now with the reports and assessments that have been undertaken. We're talking about hundreds and hundreds of pages of reports and assessments. This is a project the Government believes in. The Premier has been very clear. We've been very strong advocates of the benefits - and with a very positive ongoing, collaborative relationship with the federal government, where we've asked for substantial funds and commitment to this state project, we are hopeful of a positive response.

**Mr WILLIE** - The question, Minister, is who is liable for any cost blowouts?

**CHAIR** - Is it you or the Feds? Are you going to put your hand out to the Feds for a blowout in costs, which we know often occurs in such big projects?

**Mr BARNETT** - The Government undertakes a whole range of projects. The Bridgewater Bridge is one that we are totally committed to and is currently under way.

**Mr WILLIE** - We're not after a list of projects, a simple answer.

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**Mr BARNETT** - I think the Deputy Secretary wanted to make a contribution.

**Mr SWAIN** - I was just going to say, often in our Federal arrangements, there is an 'under-and-overs commitment'. We don't know whether the Commonwealth will go with that in this case, but often they say if you go under the project, you keep any funds, if you go over the project you wear the risk of that because you are the delivery agent -

**Mr WILLIE** - So State Government wears the risk?

**Mr SWAIN** - We don't know that yet. I am just saying that is a typical arrangement for a lot of infrastructure. That is something that we work with every day, so this year's State Growth will deliver \$550 million in capital. We have a series of methodologies that are pretty robust and are based off a national view of best practice that comes with federal money. We would be applying those methodologies to this project. Like the Bridgewater Bridge, we will recognise that this is not standard business for us. What we typically do in that situation and what we are doing with the Bridgewater Bridge is we are bringing in expertise to supplement our own capabilities and systems. Then we aggressively manage to the budget of the project that we have in front of us.

**Mr WILLIE** - While we are on the numbers, Chair, through the Government documents, it makes statements like 'the economic stimulus will help the Government pay for schools, hospitals, social housing.' I am interested in what modelling has been behind that statement. Of the State's Government revenue, 65 per cent comes from the Federal Government, and we know that Tasmania generates less GST revenue than it receives. State taxation is a makeup of the revenue -

**CHAIR** - Question?

**Mr WILLIE** - I am just putting the background here.

It is 21 per cent of State revenue. I have an unredacted copy of your cost benefit analysis that says after sinking \$460 million into the project, the State Government will receive \$300,000 in payroll tax a year. How is this project going to pay for schools, hospitals and social housing as stated in the Government documents?

**Mr BARNETT** - Through you, Chair, to Mr Willie. Mr Willie, as a member of State Labor knows full well that we have a track record for growing our economy, creating more jobs, and delivering a responsible budget. That is exactly what we do, it is part of our DNA.

**Mr WILLIE** - That has nothing to do with the statement-

**Mr BARNETT** - In terms of the budget process, I will ask Gary Swain, the Deputy Secretary, to make a contribution.

**Mr SWAIN** - I am not a Treasury official, so I won't have the knowledge that a Treasury official will have. I understand that there has probably been discussions in this place in budget context that the link between economic growth and State revenues is not as strong as perhaps we would like for a whole variety of reasons.

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I guess there is a direct and an indirect link, so there will be some direct benefit of increased economic activity to the State Government through various taxation levers in the State -

**Mr WILLIE** - \$300,000 in payroll tax.

**Mr SWAIN** - Also, if the Government of the day has high unemployment, it will have to do more in terms of programs and projects to stimulate the economy, which will take money away from what it can put into other services like health and education.

**Mr WILLIE** - That is not the statement in the document. The statement in the document is that it will help the State Government pay for schools, hospitals and social housing. You are not able to explain how. Where is the revenue source? Where is the modelling?

**Mr BARNETT** - Through you, Chair, if I could draw to your attention the contrast between the hundreds and hundreds of pages of reports and feasibility studies that we are sitting here and talking to your Committee about, and the one and a half page media release of State Labor committing -

**CHAIR** - I am not going to put up with this. I am going to cut that off.

**Mr BARNETT** - No, I have had two questions on this very matter, and I am contrasting the rectangular stadium put by State Labor for 10,000 to 15,000 seats, one and a half pages with not one extra document or report in terms of feasibility studies -

**CHAIR** - Let us come back to the stadium that is before us.

**Mr BARNETT** - Madam Chair, I have been asked two questions -

**Ms WEBB** - Answer them then.

**Mr BARNETT** - no costings, no budgets, no site, no team, one and a half pages for a 15,000 seat rectangular stadium. And here we are, getting questions from State Labor criticising the Government. This is hypocrisy in the extreme.

**CHAIR** - Order. Let me take you to the business case. The business case is -

**Mr BARNETT** - I do not hear a response from the State Labor member, nothing at all.

**CHAIR** - Order.

**Mr BARNETT** - You cannot answer that question.

**CHAIR** - Order. This is not to be a political bunfight. This is a Public Accounts Committee. I will ask you to remember that too, Minister.

I want to go to the business case. This comes back to the questioning about modelling. That is what the Member for Elwick was asking about as a member of this Committee. As I understand it, and correct me if I am wrong, the business case starts with a base case as a business-as-usual type of case. That is correct?

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**Mr BARNETT** - Yes.

**CHAIR** - One of the characteristics of the Tasmanian economy that I am familiar with is that businesses are having difficulty getting staff, especially hospitality and other staff, even building and construction workers. What does the business case assume about our current employment and housing situation?

**Mr BARNETT** - The current employment and housing situation?

**CHAIR** - What does the business case assume about that? What assumptions sit in this business case?

**Mr BARNETT** - The business case is very long so I will pass to Gary. It is quite extensive. We back in our business case which is dozens and dozens of pages and the assumptions we can talk to which compares in stark contrast to the one and half page proposal from State Labor -

**CHAIR** - That will do. Go to the answer, please.

**Mr SWAIN** - With major complex projects, it is normal to use a number of different approaches to assess the benefits of the project. In this case we have done a benefit costs ratio or cost benefit analysis which is looking at the direct costs and benefits of the project and that finds a BCR of less than 1. That's supplemented by a form of socio and economic analysis. The form is a computerised general economic analysis that looks at direct and indirect costs and benefits and that is the source of the \$85 million a year of GDP.

**CHAIR** - I am asking about assumptions. What assumptions sit behind this?

**Mr SWAIN** - They are different for each one. That is what I am trying to explain. There is also a nonquantifiable under any model set of social benefits that also have to be considered. In the CGE analysis, the way that works is to assume the state of the world as it currently sits. I cannot go to every economic metric in that model but they will look at the economy as it currently sits and then they effectively shock it and say, where will it reach new equilibrium. It is an equilibrium model which has a lot of simultaneous equations that are solved simultaneously to look at one state of the world as it currently sits and then where you will land in equilibrium in a new state of the world after a shock. That should have in it the current settings for the economy before the shock is applied.

**CHAIR** - Which includes things like people being unable to get a home now, and there is going to be an extra 20,000 people involved in building and construction and all of that and there are no homes for them.

**Mr SWAIN** - I guess the point there that is hard to work through is we have a very strong infrastructure delivering now based around a very big program, particularly in the road space. This is a multi-year program so it is not quite clear where - I mean, you have to make assumptions in any of these models about what the world will look like at that point in time.

**CHAIR** - I am asking what those assumptions are? What are they assuming?

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**Mr SWAIN** - I do not have that level of detail of every metric that is in the model.

**CHAIR** - Let me ask you about the funding. What I understand to be another characteristic of the base case is the General Government's contribution will need to be debt funded. That is the reality facing the State Government. On a cash flow basis, our budget will be in deficit for most of our working lives under current settings, and I am talking about cash, not the net operating balance. There must be costs associated making this contribution. Can you confirm what this contribution will be?

**Mr BARNETT** - First of all, through you, Chair, the Government's funded studies obviously into the site selection, engineering, cost planning, project scaping, resource planning capacity optimisation, economic analysis. We have done all of that, hundreds of pages as I said earlier. So, the investigations I have identified. Capital cost required: \$741 million; net of \$26 million of existing committed works at Macquarie Point; the funding requirement \$715 million.

So, the Government has made it clear and the Premier has made it clear many times that a commitment of \$375 million - AFL contributing \$15 million for construction costs, a further \$85 million proposed funded through borrowings against land sale or lease for commercial uses - and the Australian Government has been requested to provide \$240 million which represents about one-third of the total cost. No ongoing funding or subsidy is sought. We have also got \$1.25 million in our budget for the AFL Taskforce and for the stadium feasibility work.

I think that's what I would like to share with the Committee. I think Gary or Kim could add to that, but I think that's -

**CHAIR** - I'm talking about the cost of the debt funding particularly. I understand some of that information provided.

**Mr BARNETT** - In terms of the debt funding?

**CHAIR** - Yes.

**Mr BARNETT** - That would clearly be primarily a Treasury matter. We can assist, I think, if you wanted us to take it on notice but I am sure Gary might be able to add to that. Let's see if Gary can assist the Committee.

**Mr SWAIN** - I believe the working assumption is that those funds will be borrowed. That the interest rate will be the 10-year bond rate and that the total or aggregated interest on that through to project completion is around \$50 million.

**Mr WILLIE** - Just on that, you're going to borrow and pay it back in 10 years?

**Mr SWAIN** - No, it is not making any comment about paying it back in 10 years. It is saying that the aggravated accrued interest until completion is \$50 million.

**Mr WILLIE** - In the final year before completion, the interest repayment on the debt will be \$21.52 million? Can you confirm if there isn't Budget repair that will continue indefinitely?

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**Mr BARNETT** - Can you repeat the second part of your question?

**Mr WILLIE** - The interest repayments per annum will be \$21.52 million, and that will continue indefinitely until there is Budget repair?

**Mr SWAIN** - It is a decision for the Government of the day on a year-by-year basis under the Budget, how much debt it pays back. This will go into the total debt pool and the Government of the day will make a decision about debt repayments globally in the Budget contents, so, it will not look at this little bit, or that little bit.

**Mr WILLIE** - But it will contribute to that interest repayment?

**Mr BARNETT** - It will depend on the circumstances at the time. We want to be responsible with our budgets, which we are. The Treasurer has made that very clear just yesterday in the Parliament. So, it's a very important matter, we take it very seriously.

**CHAIR** - Another question in relation to the proposed funding of this, and you have spoken already about this, minister, the contribution you are seeking from the Federal Government. Are you intending to ask that be quarantined from the GST calculation?

**Mr BARNETT** - That's not unusual, in terms of those negotiations -

**CHAIR** - I am asking you if is that the intention.

**Mr BARNETT** - My understanding is it is the intention. It is certainly not unusual. We certainly try to ensure that we get best deal possible for Tasmania. I know that the Premier, Jeremy Rockliff, is having positive collaboration and consultation with the Prime Minister and his Government, and we are doing the same.

**CHAIR** - Other states don't like that. It disadvantages other states, clearly, and if we saw other states getting quarantined stadiums getting built we would probably be unhappy about that too. If the Prime Minister gets enough pressure from other places around the country, and he decides that they will only pay the money if it is not quarantined, would you still accept that?

**Mr BARNETT** - I think you have raised a really good question because it compares and contrasts to other states, and you made reference to other states. So, I'd make a reference to Queensland and the billions of dollars that the Federal Government is expending in Queensland for stadium and infrastructure upgrades all related to sport and other related activities -

**CHAIR** - For the Commonwealth Games, yes.

**Mr BARNETT** - The Olympics in fact.

**CHAIR** - Yes, the Olympics, sorry.

**Mr BARNETT** - If you compare and contrast, I would draw that to the attention of not just this Committee, but the Federal Government.

**CHAIR** - Is all that funding quarantined for all the stadia up in Queensland?



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**Mr BARNETT** - What I do know is what we have requested and what we are asking and we want the best deal possible for Tasmania, and that is what the Premier has requested.

**CHAIR** - The question was not about what other states are getting, it is about the quarantine -

**Mr BARNETT** - Well it's important -

**CHAIR** - It is important but it is about whether those payments are quarantined, because if all those payments in Queensland are quarantined, we should be jumping up and down about that, as a State, as a Treasurer. Treasurer Ferguson should be jumping up and down about that.

But the question is, if the Prime Minister says, 'We will only pay if it is not quarantined', and thus we pay it back over clawback through GST, would the Government accept that?

**Mr SWAIN** - I was just going to say in relation to the Brisbane commitment by the Federal Government, I would expect that that would be articulated in the federal Budget that is yet to come, so -

**CHAIR** - So we don't know whether it is quarantined or not.

**Mr SWAIN** - No, you, look, this is speculation but it is such a big amount that you would expect it to be quarantined because otherwise it would have a very significant impact on Queensland -

**CHAIR** - My question still is, will you still accept this?

**Mr BARNETT** - I am hearing your question, and I thank you for the question. I note and draw to your attention and to that of the Committee, that these negotiations are still under way. The Premier's having ongoing discussions with the Prime Minister, and the Premier is fighting for Tasmania, he is like a dog with a bone, he won't give up, and we want to make sure we get the best deal possible for Tasmania.

**CHAIR** - So, if the Prime Minister commits to the funding but not to quarantined, is that still a fair deal for Tasmania?

**Mr BARNETT** - Well the Premier will fight to the last to get the best deal -

**CHAIR** - So we're not going to answer that one.

**Mr BARNETT** - I am making the point that the negotiations are ongoing, so we don't know what other conditions will be applied, and what other conditions we might be able to achieve -

**CHAIR** - It is a simple question about quarantining of the funding for GST -

**Mr BARNETT** - These negotiations are ongoing. It's not just a one-off payment. There are other opportunities -

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**Ms WEBB** - So we can't confirm that it won't cut our GST?

**CHAIR** - I might just move on, Minister -

**Ms WEBB** - We haven't had confirmation that it will not cut our GST, that's what I'm hearing -

**Mr BARNETT** - The Prime Minister has talked about urban renewal, and we support that.

**CHAIR** - Minister, where will the debt funding actually sit? In Stadiums Tasmania, as an amount owing to TasCorp, where would the debt funding actually sit?

**Mr SWAIN** - The 375 would sit with the Government, and the 85 is proposed to sit with Stadiums Tas, and it would need to be established in a way that allows us to make repayments on that part of the debt, commercial activity on the side or otherwise.

**CHAIR** - So it's in the General Government accounts as a liability? Is that what you're telling me? With an offsetting equity contribution into Stadiums Tasmania? Is that how it is to work?

**Mr SWAIN** - I'm saying that there is a 375 contribution, and it is my understanding that this would sit with the Government, and there is the 85 contribution or component which would sit with Stadium Tas. To exactly go around the mechanics of that, you would need to ask Treasury or the Treasurer.

**CHAIR** - Dean, you've got a question?

**Mr YOUNG** - Yes, what about some of the indirect stuff, the economic benefits in terms of jobs, visitation - question to the Minister, sorry - and activation, sort of about the economic activity?

**Mr BARNETT** - Thank you for the question, and it is a good question because I think I have tried to highlight the benefits of not just the stadium, but in and around the stadium as an iconic precinct for Hobart.

Firstly, in terms of the economic benefits for Tasmania, we are talking about that 4,200 jobs during construction, \$300 million boosting our economy over those years from 2025 for a number of years. The boost will be fantastic, and then \$85 million ongoing, 900 jobs or thereabouts ongoing.

In terms of the visitor economy, a lot of people aren't really focusing on the opportunities with the conference and convention facilities. At the moment we are cut out because we have a capacity max of 1,100 or thereabouts. With this proposed new convention centre, there are opportunities to supercharge our visitor economy which will boost all of the tourism all around Tasmania, and bring those events and conferences, and business events in particular. They spend good money when they stay here, and that will also be complementary to the Antarctic Science Precinct, which I am particularly eager to progress. We are having good discussions with the Federal Government and they are progressing positively, and my Department is

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working with the Federal Department in that regard, and the opportunities for urban renewal, which I made very clear. I thank the Prime Minister for that and his keen interest in that.

We agree, and the Northern Suburbs Transit Corridor and the opportunities for housing are just off that transit corridor, and with rapid bus transport right through into the Northern suburbs, so in terms of opening this arts, entertainment and sporting precinct, it will be an iconic precinct.

Mr Young, as a member for Franklin, I know you will be particularly interested in the ferries and supercharging the opportunities for ferries on the Derwent - can you imagine?

**CHAIR** - But you could also go into Regatta Point, should it be there.

**Mr BARNETT** - That's true, but for good reason it has been identified as Macquarie Point. We can talk more about that and why, but it is close to the city; on the water; underneath kunanyi/Mount Wellington; transport access; and located in an iconic destination. We want to make the most of this.

We want to make this the best opportunity possible to grow the economy, create more jobs, boost our visitor economy big time, and deliver a much better quality of life for the people of Tasmania.

I will finish on this point: the boost in terms sport and recreation and participation for younger players at the grassroots will be absolutely terrific. We've seen it with the JackJumpers. Basketball participation has gone up in double-digit figures. That is so encouraging, so good, and will help create healthy, active lifestyles, particularly for our young kids.

**Dr BROAD** - There's a lot of talk about the economic benefits. The Premier talks about \$2.2 billion over 25 years, but doesn't talk about what the net present value of that money is. Yes, \$2.2 billion sounds like a lot of money, but over the space of 25 years, if you discount it back to today's dollars, it's not.

How do you reconcile that your own cost-benefit analysis says that the net benefits of the stadium, given an extraordinary claim of 44 events a year, is still minus \$300 million?

It says the State will be actually worse off economically if you build this stadium. That is your own cost-benefit analysis. How do you reconcile that with the rhetoric that this is going to be wonderful for Tasmania's economy?

**Mr BARNETT** - You refer to the rhetoric. We're basing our advice - which we've released publicly - on hundreds and hundreds of pages of reports and feasibility studies, unlike State Labor, with a one-and-a-half page rectangular stadium announcement -

**CHAIR** - Let's just focus on your business case.

**Mr BARNETT** - One-and-a-half pages? Chair, it's almost galling to hear the hypocrisy coming from State Labor, but I'd be delighted to answer the question and we'll pass to the Deputy Secretary.

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**Mr SWAIN** - It's not unusual in regional economies to have BCRs less than one. It's really important to understand that BCRs move around a lot, depending on project maturity.

If you look at the Bridgewater Bridge, the BCR has been as low as 0.6, and as high as 1.2, and sits somewhere around 1 - or a bit lower than that now. I had a look at it in thinking about this. From 2019 to 2021, the BCR on that project went up by 50 per cent, even though the costs of the project went up by a similar amount. That's because BCRs are very sensitive to when the benefits and costs fall - so, the cost profile in the front end of the capital project, and the benefit profile looking out.

If you use a discount rate like 7 per cent, which is used in this case, which is pretty standard - 7 per cent to 5 per cent are the normal numbers that have been represented over the years by Infrastructure Australia and by state treasuries - it tends to disadvantage capital-intensive projects, because any benefit that's more than about 15 years out by the time you discount it back doesn't actually give you a very big number.

It is difficult when you are talking about infrastructure that has a design life of 50-plus years. Capital-intensive projects in regional areas are typically disadvantaged, but projects that have a larger transformation effect, like stadiums, are also particularly disadvantaged.

That's why you go to a socioeconomic study, which looks at the indirect costs as well as the direct costs, and direct and indirect benefits. Even then there are a series of benefits that you really can't capture. I'm not aware that there is a model that captures the icon or brand value of a project like an Eiffel Tower or a Sydney Harbour Bridge or a stadium.

**Dr BROAD** - There's quite a lot of academic evidence from around the world that stadiums do not deliver these economic gains that are claimed by the Government. I would also add that the BCR of 50 is optimistic; it could be as low as 0.3. Also that is based on the assumption that there is going to be 44 events in Hobart, and that those 44 events will not take money away from existing events - so how can you reconcile all of that? It seems just so extremely optimistic.

**Mr SWAIN** - The BCR and CGE analysis actually starts from the point of the current state and then a [inaudible] to it. As I said before, the current state includes an assumption that any games that are already committed don't count towards the stadium benefit - so it is only additional activity that counts in that analysis.

Also, it doesn't actually look at national benefits. The assumption is that you would probably be moving games and events around Australia. For Australia it's not a net increase; it's a net increase for Tasmania, above the base case which is assessed, including the current activity - including the number of AFL games that are happening right now.

**Dr BROAD** - I'm not just talking AFL games. Tasmania has a certain amount of cash in people's pockets. You put in 44 events, and unless that money is coming from elsewhere, there is only a certain amount of money to spend. So, 44 events and there is not going to be any siphoning -

**CHAIR** - In addition to the ones that are already happening.

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**Dr BROAD** - In addition to the ones that are already happening. You are saying that this base case appears to say that 44 events in Tasmania will not siphon money out of pre-existing events, and a major event every eight days in Hobart is achievable.

**Ms WEBB** - I think it's 28 new events out of 44, just to be clear - but the point still stands and the question still stands, based on 28 new events under the modelling.

**Mr BARNETT** - Yes, but before I pass to Kim and Gary to answer that, what I'm hearing is your statement very clearly in opposition to new stadium.

**Dr BROAD** - We are saying that it is completely the wrong priority.

**Ms WEBB** - It's a question. Answer the question.

**CHAIR** - Let's stop the politics, Minister, and let's just ask the questions based on information that you provided to the Committee. The Member is asking a question directly from the information that you provided to this Committee as part of the submission. So let's keep the politics out of it.

**Mr BARNETT** - That's right. Well, the honourable Member is part of a party that proposed a new stadium, and you have just said you oppose it.

**CHAIR** - Order. I think we will go to Mr Swain.

**Mr SWAIN** - Minister, I might just add, the PWC work talks about new events, not robbing Peter to pay Paul. There are a number of testimonials in our business case that we have submitted to the Commonwealth from people like event promoters, who identify that there are significant events that wouldn't require public investment, that are commercial events that could be attractive - for example, concerts - that we miss out on because we don't have the facilities -

**Ms WEBB** - They normally do require public investment.

**Mr SWAIN** - You have probably read some of the work Luke Martin has done, for example, comparing what major concerts other states get and we miss out on. We have testimonials from the likes of Vandemonian to say that with a stadium like the arts, sporting and culture precinct, we could attract our share of those events.

**CHAIR** - I'll go down the list and follow this up for a moment, because this is a really important point. These additional events - not football, but arts events, concerts, major concerts - let's talk Ed Sheeran, perhaps. He has been in Melbourne recently, and is likely to return to Melbourne if he comes back, or any similar sort of size of attractive proposition. They are most likely to go back to Melbourne.

For the people on the North-West Coast, it is generally cheaper and easier to get to Melbourne to see such a performer than to come to Hobart. It's cheaper because the accommodation is pretty much the same - if you can even get it here - and it's much cheaper to hop on a plane literally near your backdoor from Devonport, Wynyard - potentially Launceston, but certainly on the North-West Coast and for Circular Head people - and then go to Melbourne.

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How are we going to get the numbers of people here if people have already seen the performance in Melbourne? The diehards will go twice. They might go to his concert twice if they can afford it - the tickets are pretty steep.

Going back to the point that Shane made a moment ago that Tasmanians have limited financial capacity for these sorts of events.

**Mr SWAIN** - A part of the answer to that question probably and something that is not picked in that CGE modelling is potential flow-on from the Hobart stadium to the Launceston stadium. The modelling does not assume that if you come and play a concert event in Hobart and you have mobilised and absorbed all the fixed costs of taking your major event to Hobart, that you might also look at Launceston as a marginal cost exercise when you would not come for Launceston by itself. So that might go somewhere to -

**Dr BROAD** - The converse of that is you have to get across Bass Strait so you lose at least a day each way. It is much easier for a big event like Ed Sheeran to put on a second show in Melbourne that it will ever be to come to Tasmania. That is the unfortunate reality.

**Mr SWAIN** - I am not saying we haven't counted those benefits. I am just saying that you could imagine that once you are in the State it is a marginal decision of whether you do another concert at the other end of the State. That's all I am saying.

**Mr WILLIE** - I want to go back to my previous question which is, can the Minister provide the revenues and the projections that led to the statement that the stadium will help pay for schools, hospitals and social housing?

**CHAIR** - Do you have modelling to demonstrate that statement?

**Mr BARNETT** - I am hearing two questions now.

**CHAIR** - One question, is there modelling?

**Mr BARNETT** - Sorry, I heard two questions from two different committee members.

**CHAIR** - It is the same question, Minister.

**Mr BARNETT** - I am trying to respond to the honourable Member. I thought we provided a pretty decent answer last time but I will pass to Gary.

**CHAIR** - The question is very simple, Minister. I will repeat it for the benefit of all members on your side of the table. Do you have modelling to back the statement that it will deliver funds to deliver health and education services?

**Mr BARNETT** - Thank you for the question. Gary.

**Mr SWAIN** - I can only give the answer that I gave before. We have modelling that demonstrates there will be a significant uplift in GSP. GSP has a relationship to State revenue. It is not a one-for-one, or as strong a relationship as we might like, but there is a positive relationship. Also a strong economy and stronger jobs positions removes the requirements of

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funding from the Government into a variety of programs and activities which makes it available for core activities like health.

**CHAIR** - There is no modelling that demonstrates it?

**Mr SWAIN** - The modelling demonstrates the employment and the GSP outcomes.

**CHAIR** - Can you provide any documentation that does that, particularly for this proposal?

**Mr WILLIE** - We are talking about revenues here that the State Government will have available. You have made the statement in documents.

**CHAIR** - Is there modelling that you can provide to the Committee that backs up that statement that you have just made publicly, and now here for the Committee?

**Mr SWAIN** - What I have just talked about is in the business case and its attachments which are in front of the Committee.

**CHAIR** - There is no more modelling that would show that?

**Mr SWAIN** - No, not that I am aware of.

**Mr WILLIE** - Three hundred thousand dollars in payroll tax in cost benefit analysis.

**Mr SWAIN** - That is ignoring the indirect part of the cost general equilibrium modelling. If you have wealthier households in Tasmania, they can buy housing, they can spend in a whole variety of ways, some of which will come back to the Government. We have not pulled that out of the GSP uplift.

**Mr WILLIE** - We are talking revenues that will pay for essential services, which is claimed in these documents, and there does not seem to be any substance to explain that statement.

**Mr BARNETT** - I think the Deputy Secretary has explained quite comprehensively and has referred to the business case and appendices to the business case.

**Mr WILLIE** - We have heard a little bit about the stadium. Term of reference 2 says how a new roofed stadium became a condition of the licence.

**CHAIR** - This is another area. Did you have a related question to the previous one?

**Ms WEBB** - It is a little bit related to the previous questions, it won't take too long.

On that, it is clear that it is not revenue streams directly from this effort that are going to fund essential services. From the answers given, it is general uplift in economic activity. I guess the reality is any time the Government is going to invest \$375 million in something in the State it is likely to provide economic benefit more broadly in this GSP. It is not that this stadium is doing anything extraordinary from that level of government investment. It is just

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that this particular course would do it as would any other choice made to invest that much money.

But to ask a more specific question about the events, which was the previous question from Dr Broad, is there, as part of the modelling, a breakdown of the expectation about whether it is interstate visitors or local visitors who are attending these events and providing the economic benefit?

The reason I'm asking is because I'm also interested to know the detail in what you've provided that says that there'll need to be acquisition budgets for both Stadiums Tasmania and Events Tasmania to enable these events to happen. Generally, it does require public investment to ensure that these big events do come. We've got to provide surety to them because of the risk that it might fall over with the lack of ticket sales. That happens in other places too, I understand. I presume that's what an acquisitions budget is going to be there for - to help underwrite the 28 new events that we're expecting to come. Can you explain that a bit more?

**Mr BARNETT** - Thanks for the question. I'll pass it to you, Gary.

**Mr SWAIN** - On the first comment around Government projects stimulating the economy generally, that is definitely true. But, the extent of stimulus will vary a fair bit. You can take a project like the cameras that are being rolled out for road safety at the moment, which will have a very high BCR because the capital cost is quite low but the benefit attributed to a saving of life on the road is very high and you will have a very high BCR. When a serious casualty or life is saved, that person goes back to their normal activities so you don't have a transformative economic effect. The BCR might be higher but the socioeconomic indirect benefits might be a lot lower.

**Ms WEBB** - To clarify, I'm not comparing choosing to spend \$375 million on a stadium with investing whatever the considerably smaller amount was in some speed cameras. If there was to be another large transformative decision to invest \$375 million, it would generate economic activity to a similar extent, which is the point I was making.

**Mr SWAIN** - I'm sort of agreeing with you.

**Ms WEBB** - I didn't mean to get hung up on that, I just wanted to make that point.

**Mr SWAIN** - I was going to make the point that the reason governments around the country and the world back some projects that have a BCR less than 1 but a good socioeconomic benefit associated with a separate study methodology is that they form a view that those projects have more transformative benefits than others. That's the only point I was trying to make.

**CHAIR** - Meg, is that it for now?

**Ms WEBB** - No, we didn't get to the questions I had around the acquisition budgets for both Stadiums Tasmania and Events Tasmania, identified in the Government's papers, that will be required to ensure that events do come to this stadium.

**Mr EVANS** - Through you, Minister, that's not unusual. Through Events Tasmania we provide funding to attract events. Some of those events come from interstate. Some of those



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events are to promote regional and rural areas and get people moving around and activity in those spaces. So there are both economic benefits and social benefits from events.

We provide funding to attract business events. For example, the minister's already highlighted that we miss out on all business events below about 1,100. There are hundreds of events that we can't bid for in the state. It is likely that in order to attract some of those business events we might need to provide some funding to be successful as part of a bid process. It's a very competitive world in terms of attracting business events around the country. But we do have, through Business Events Tasmania and Events Tasmania, very well-developed models to assess the economic and social benefits of any events that we attract that would apply in this case.

We don't have a detailed attraction budget worked up yet. As I first started, some events may well be commercial but for other events we might need to provide some funding through an attraction fund but the detail of that needs to be worked out.

**Ms WEBB** - You're not there yet.

The other part of that question that I had which I think Mr Swain for the detail about, was the local patronage versus interstate patronage to make the events viable. Or maybe I've missed it

**Mr EVANS** - Through the minister, those detailed assumptions are part of PWC work. Rather than try to dissect the PWC work here and now, I wouldn't mind taking that question away.

**Ms WEBB** - That would be good because we have had discussion about who in Tasmania might attend, what the limitations on that number might be, and who would bother coming here.

**Mr BARNETT** - We're more than happy to take that on notice, Chair, and get back to the Committee.

**Mr EVANS** - I have seen it, I just can't lay my hands on it right now.

**Mr BARNETT** - It's in the Report.

**Mrs ALEXANDER** - Just around this conversation and the questions that are around the benefits flowing through from this development, I have to say I am very saddened that something that should've been quite a fantastic opportunity for Tasmania to engage in supporting getting an AFL team has polarised so much of our community.

Of course, I am looking at my constituents in Bass, being an elected representative of Bass. On the basis of that, I have also observed that there have been a number of business people, or various other organisations that have come out in supporting and adding their voices in support in this growing conversation that we are having. I want to understand a little more how it supports, especially if we could focus on how the support would benefit the wider State. If we could touch on Bass in the north and the wider community because I think it's quite important to understand the benefits.

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**Mr BARNETT** - Thank you. I think you have made reference to support across Tasmania. I can obviously refer to Kim Evans and Gary Swain, but you also made reference to the range of people and stakeholders in support. Of course, it's fair to say that the SFL and David O'Byrne support the stadium. Of course, David O'Byrne supports, Rebecca White opposes. So there is a difference of views there-

**CHAIR** - We don't need to go through all the individuals, Minister.

**Mr BARNETT** - I was asked the broader question. We have support from across the state from the Tasmanian Tourism Industry Council. Luke Martin has been very clear of the benefits across the State, to the North, North-West, the East and the West. In terms of tourism benefits, we've got the Tasmanian Hospitality Association, Steve Old, who has indicated the strong benefits not just for Hobart. He has said, 'The stadium will benefit hospitality businesses from Hobart all the way to Burnie'.

Obviously, there are benefits. The CFMEU Tasmanian Secretary Richie Hasset in November last year said, 'If you could build an international sporting hub that futureproofs Tasmania's sporting capabilities for generations, why would you pass the opportunity up?' That is from one of our leading unions in the building and construction sector.

The CEO, Dominic Baker of Cricket Tasmania, talked about having a world class stadium would give significant leverage to ensure more international games were played in the Apple Isle, particularly after appearing to outgrow Blundstone Arena. He talked about the fans and the support from across the State. I think the Secretary has mentioned Vandemonium Touring, which do events promotion. They are very successful organisation and it excites us to bring big acts to Tasmania.

There is a range of things that Brendon Self has indicated in terms of the support from the North and around the State.

I guess, in conclusion, the backbone of our economy, frankly, is small business. It's great to see the support from the Tasmanian Small Business Council CEO Robert Mallet. His comment was that the stadium's ability to draw new visitors to Tasmania would have huge benefits for the state's economy. Clearly it's not just solely and wholly focused on Hobart. That's absolutely a policy position of our Government. Kim?

**Mr EVANS** - The Minister has just given a very good account of some of the economic and broader benefits and the support that we have. One of the things that we do need to remember is that the issuing of a nineteenth licence will unlock additional activity, not only in Hobart, but in the rest of the State.

We will not only have an AFL team, we will have an AFLW team, we will have a VFL team, which will bring additional content to Launceston and also to the North-West Coast. So, there are broader benefits in those regions beyond those that they get today.

Really importantly for me, this is an intergenerational opportunity. Putting aside all of the benefits, economic and social, of a stadium, an AFL team will provide opportunities for young kids and a pathway for young kids into football. Football at the moment is absolutely dying. We have seen a resurgence in soccer and certainly in basketball. We want to get to a

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point where we can encourage young kids and provide a pathway for young kids to turn back onto football.

In that respect, one of the other benefits that will flow from the licence will be the investment that the AFL itself would make into things like game development, grassroots and talent pathways. I do not think we can underplay those. Those will be generational. We are seeing it in the JackJumpers, we are seeing it in other codes and we would like to see the same in football.

**Mr WILLIE** - We have discussed the stadium. I am interested in whether it was the AFL's demand that the stadium have a roof or was that something the Government threw in. Whose decision was it to make sure the stadium has a roof?

**Mr BARNETT** - Thanks for the question.

**Mr EVANS** - I think it is something that has emerged over time. Former Premier Gutwein first floated the concept of a roofed stadium. We saw that as a particularly important differentiator of our stadium from other stadiums in the country, particularly when you start to think about it in the broader context in terms of the broader uses, including concerts and including the sorts of conference and other events. It makes sense that we have a stadium so, we have deliberately focused on a stadium with a roof.

It is fair to say that part of the driver of that is the fan experience; certainly, for football games it would be an enormous value. But also for all of the other uses that we have talked about, a roof will enhance the fan experience. Part of the work we have done in terms the business case work is to take a fan-first approach to specifying the requirements for this stadium. It is through that process that we have arrived at a decision that this unique boutique stadium should have a roof.

**Mr WILLIE** - What I am hearing there is that former Premier Gutwein and the State Government decided to include a roof?

**Mr EVANS** - Certainly, it was part of his Regatta Point proposal. We have been through a lot of work internally looking at the requirements around a stadium. That has reinforced the value of having a roofed stadium.

**Mr WILLIE** - Is it now a condition from the AFL that the stadium has a roof? Or is it a condition that a new stadium is built?

**Mr EVANS** - In recent times - I was asked a question earlier about the point at which it became a condition of the licence for the building of the stadium, and I was taking the Committee on the pathway as to how we got to this point before we moved off into another direction.

I can say that in June 2022, following the development of the business case by the taskforce - the Carter review, off the back of COVID-19, when we seriously started to engage with the AFL in June 2022 - we set up a working group between taskforce members, departmental members, and with the AFL itself. As part of that process, after June 2022, we embarked on a work program. A lot of that is in this document - the Aurecon work, for example, around site selection, and the specifications of a stadium. That was all around us

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committing to look at it, not to do it. We are still working through. We have a whole heap of pre-feasibility work ourselves to do.

**Mr WILLIE** - The roof isn't part of the condition?

**Mr EVANS** - We have committed to a roof stadium.

**Mr WILLIE** - The State Government has made a decision to include a roof in the stadium?

**Mr EVANS** - We see that as integral to the business case around the broader arts, culture, sporting facility. The broader business case makes sense if the facility has a roof.

**Mr WILLIE** - Can you confirm whether the roof is a fixed roof, or an operable roof?

**Mr EVANS** - We are proposing it would be a fixed roof at this point. Again, once we get to the point where we have locked in the funding, then we have a whole range of detailed designs. The way we normally do this - I will give the analogy of the Bridgewater Bridge, which will be consistent with this project. We would consult with all of the key users - the AFL being one, Stadiums Tasmania being the ultimate asset owner, all of those with an interest, and most critically the veteran community; to define what are the detailed user requirements we would certainly be consulting with the Antarctic community, and with the business events community, to be clear about what are the detailed designs that would need to go into a reference design. We did that with the Bridgewater Bridge, for example.

We consulted broadly, we came up with a reference design, and then we took it to market to get the experts to tell us what is possible and what is the optimum. We are not stadium designers on this side of the table. We can specify the uses based on the work we will do as a critical stakeholder.

**Mr WILLIE** - I can only go off what the Government has produced so far. I have other questions.

**Mr SWAIN** - One bit of detail on that, going to some of the previous questions around consultation, the bulk of the consultation happening through the design process and the front end of the design process is the normal process for major infrastructure deliveries.

**Mr WILLIE** - The Government documents talk about a fixed roof having issues with turf growth. If a stadium was to have a fixed roof, it would need spaces in the perimeter to allow airflow for turf growth, which would impact heating and ventilation and sound proofing.

It talks about broadcasting lights, and the requirement for them to be at 35 metres and potentially a roof at 37 metres.

I know you have some detailed designs, but there are some general requirements laid out in this document. Can you confirm that is what will take place?

**Mr EVANS** - I go back to my point that there will be a range of issues we need to deal with. Firstly, we need to understand the users' specifications and, as the Deputy Secretary

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explained, this is the normal process we go through. We would take those users' specifications and we would look at getting expert advice around the detailed design.

**Mr SWAIN** - Can I jump in? You would normally have a functional requirement, which will be a high-level document saying this is what the users need, but it is an outcomes-based document. That gets turned into a technical specification.

The outcomes-based document will be quite short - it could be a number of pages - but it might turn into several hundred pages of technical specifications. It will say where, for that outcome, there is a relevant guideline or design standard, that will translate into a more detailed technical specification; that then goes with the tender documentation out to market. The bidders bid against that, and they will say where they propose to conform fully with it or where they propose an improvement. That can be assessed. That then ends up as an attachment to the contract that the contractor and design team then have to deliver against.

**Mr WILLIE** - Where I'm going with this, Minister, is that it is unusual to have a roof on a 23 000-seat stadium -

**CHAIR** - A fixed roof.

**Mr WILLIE** - Yes. The roof height is significantly higher - I am reading from the Government documents here - than what would normally be required for a 23,000-person seating bowl that would have the same external perimeter but with light towers and no operable roof. This has the potential to lead to increased facade and roof costs and will need to be studied in more detail.

It is an unusual proposal to have a roof on a 23,000-seat stadium.

**Mr EVANS** - Again, I can only restate some of the broader reasons why we believe we should head in that direction. Certainly, the work of Aurecon - particularly things like cost estimates - takes into account some of those factors. The budget that we've provided for has already taken into account some of those additional costs.

We understand that there'll be challenges with things like growing grass, but there are solutions to that and it happens throughout other places.

**Mr WILLIE** - Where there are 44 events? Some of these stadiums referred to with their ETFE material in the roof - do they have 44 events a year?

**Mr EVANS** - I can't comment.

**Mr WILLIE** - There are some other concerns here in the document, too. That's why I asked previously about cost blowouts, because there are a lot of question marks here. The lightweight nature of the roof structure will mean that it has limited residual capacity to support significant theatrical and concert loads.

So, there are a lot of question marks around the roof structure, the costs and potential blowouts - and it is an unusual proposal.

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**Mr SWAIN** - It is a really big and complex project. All the way through there will be risks regarding cost management - that's standard for this kind of project. That's why you put a whole lot of methodologies around delivery of a project this big and complex. I think it's acknowledged that it is a complex project.

**CHAIR** - Coming back to Josh's comments about a fixed roof stadium. Look at the MCG, which is not a roofed stadium, obviously. They had the Ed Sheeran concert there and they had to replace a lot of the turf. The AFL brought a game back by a week because of the damage to the turf by a large crowd attending an event at the MCG.

If it's going to create turf issues and you're wanting to have big major music events, then we really don't know what the cost is, do we? Maintenance and upkeep costs?

**Mr SWAIN** - The other thing I didn't mention - normally, as well as doing the function analysis, you would do a very detailed risk analysis of the proponents' usages. All of that would be put to the design team and the contractor to ask how will you manage those risks and provide assurance to the principal - the Government - that they can be managed in the operation of the end facility.

**CHAIR** - We could see quite significant additional costs to manage those risks.

**Mr WILLIE** - Of which the State will wear the liability.

**Mr SWAIN** - That's what you're seeking to manage away from, through the procurement and contracting strategy, and the way you specify the function requirement.

**CHAIR** - But if it can't be done - acknowledging what's in this report that Josh has referred to, about the issues of a fixed roof and the turf management and growing and maintenance, then it's bound to add not just a cost at the outset, but costs ongoing.

**Mr SWAIN** - The costs we have contemplate a roof. We haven't gone to a general cost of a stadium per seat. We've allowed for the cost of a roof. Now we would have to manage to that budget.

**Mr BARNETT** - I think Gary outlined very well the process going forward. At the end of the day you try to ensure that you've managed those costs and budget accordingly.

**Mr EVANS** - The Aurecon Report identifies that there are a whole range of positive benefits, and a whole range of issues that would need to be managed -

**Mr WILLIE** - And that's what I'm questioning.

**Mr EVANS** - What the Deputy Secretary is saying is that just because there are issues that you need to manage, doesn't mean you don't do it.

**CHAIR** - We need to keep moving along because we are running out of time. There is a lot more to cover.

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**Mr EVANS** - I know you probably want to come back to this, but on the site issue, we have a complexity around a roof. That is an engineering complexity to manage, and we need to make sure it doesn't affect the operation of the grass and everything else.

One of the advantages of the Mac Point site is we know a lot more about that site geotechnically, so the other big risk that you would be concerned about going into this project would be geotechnical unknowns. We know a lot more about the Mac Point site than we do about the Regatta Point site, which is one of the factors in that site location.

**Mr WILLIE** - That's why the field would need to be above ground because of the contamination of the site?

**Mr SWAIN** - At Mac Point?

**Mr WILLIE** - Yes.

**Mr SWAIN** - You also have water table issues to consider so there's a few things to consider in relation to that geotechnical stuff. It is a site that we've been rehabilitating for several years and they've done a whole lot of testing around. If you like, going into the project, that is probably a step up on where you'd normally be at this stage of a project like this.

**CHAIR** - In this Aurecon site options paper, looking at just the two - Regatta Point and Macquarie Point - there are couple of little sketches that look at the elevation of the proposals. Minister, can you provide the Committee with more elevation in context with the surrounding buildings of each of those sites? The surrounding buildings of the Cenotaph, the bridge and all the things that are in that vicinity? All elevations. In all this documentation, it's not there.

**Mr BARNETT** - Are you talking about Regatta Point and Macquarie Point?

**CHAIR** - Both of them. All we're seeing is aerial views or this little sketch on page 6 and 7 that don't really give you any context. This is one of the things that is seriously lacking, to give the average person any concept of what it's going to look like from where they stand.

**Mr BARNETT** - I'll kick it off and then I'll pass to Kim and Gary. That report was August last year and, yes, it does have those Regatta Point, Macquarie Point - we've identified Macquarie Point as the preferred site.

**CHAIR** - I'm asking about elevations. What I want to see is elevations from east, north, west and south.

**Mr BARNETT** - I guess my point was, as Kim and I think Gary has outlined in terms of the process, there's obviously still more work to do. What is important is getting that engagement with the key stakeholders. Kim's mentioned, for example, the veterans in and around the Cenotaph -

**CHAIR** - The question is, can we have elevations?

**Mr BARNETT** - and I wanted to put on the record how clearly and how important that is to the Government to work through on that particular matter, but I will pass to Kim.

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**Mr EVANS** - The simple answer to that is 'yes' but not until we've done that work, and it goes back to the approach -

**CHAIR** - What work?

**Mr EVANS** - The work around detailed design and elevations. We haven't reached the point where we've done that detailed design work.

**CHAIR** - But you have issues with a fixed-roof stadium with lights inside to enable broadcasting, which is obviously crucial -

**Mr WILLIE** - It can only be made out of one sort of material because the other ones don't work.

**CHAIR** - Yes, so it's pretty clear that information's there. Surely on the basis of the information in this report, elevations could be done.

**Mr EVANS** - We certainly will be doing that work. We haven't done that work to date and that will, in part -

**CHAIR** - We've done lots of photos from the top or artist's impressions from the top. Can't we have an artist's impression of an elevation that's true to scale?

**Mr EVANS** - As you'll hear from the CEO of the RSL, John Hardy, when he gives evidence, that's a critical issue from their perspective and -

**CHAIR** - That's why I want to see it.

**Mr EVANS** - in our discussions with them, we've given John an assurance that we will do that piece of work as a priority so that we can give them some better information about what the impact might be on it.

**CHAIR** - A priority? What time frame are we looking at as a priority?

**Mr SWAIN** - I would think you'd write this into the design brief that sight lines for the Cenotaph will need to be considered in the development of the design, and as we go through the design process, you'd be talking to the RSL all the way through that.

**CHAIR** - We have a whole heap of information in this document that was done last year for this purpose. Surely you could ask someone, as a priority, to actually do some elevations based on this. Whether it changes or not, then you do new elevations but can we have elevations based on this information that the Committee's been provided with?

**Mr EVANS** - We absolutely need to do that and we've committed to do that work with the RSL -

**CHAIR** - Can you do it and provide it to the Committee?



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**Mr EVANS** - I can't put a time frame on that but I'm happy to take it on notice and get some advice about how quickly we can have that work done.

**Ms WEBB** - Can I just clarify, we're talking about an artist's impression from standing on the street beside it. Looking from each side, what it looks like. I do not understand why this Aurecon report which has umpteen details about what minimum heights might be, for example, to accommodate the lights, and can provide on page 38 figure 7-12, a completely visible and, I guess indicative picture of these two sites with a structure in them that is slightly elevated looking from the side. Now if that can be provided, figure 7-12, why can it not be provided on the same specifications used for that picture from standing on the road beside it? It is simply not a piece of work that needs to be done other than from a different angle to this figure.

**CHAIR** - It is a simple CAD project.

**Mr BARNETT** - Can I, before passing to Kim, just indicate that what is important to the Government right here, right now, is securing the funding from the Federal Government of some \$240 million -

**Ms WEBB** - That is not an answer to anything I have just said.

**Mr BARNETT** - I think it is pretty important in terms of the process. This needs to be -

**CHAIR** - No it is not, Minister. We are not talking about the process.

**Ms WEBB** - There is a picture here that could be displayed differently.

**Mr BARNETT** - Well, the process is reliant on Federal funding, and, in terms of the process I think Kim and Gary have outlined that there is a commitment there that needs to be done, there is progress on that but in terms of that I think Mr Evans is happy to take it on notice.

**Ms WEBB** - Minister, why won't the Government show what these structures might look like from ground level? Is it because the Government does not want to provoke more aggression against them?

**CHAIR** - Just ask the question: why won't they provide it?

**Ms WEBB** - Why will the Government not provide an indicative picture, rather than from slightly above, from standing beside the stadium?

**Mr BARNETT** - I think I have answered the first part of that question in terms of the funding support -

**Ms WEBB** - No, I don't think you have. Why will the Government not provide the picture?

**Mr BARNETT** - which has not been locked in from the Federal Government. Kim was outlining the process I thought very, very clearly and provided a commitment to respond -

**Ms WEBB** - It is not a process question.

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**CHAIR** - Order. Order.

**Mr EVANS** - I have said it is an absolute priority. The Minister has put it into context of where we are in the project and securing the funding. But, understanding the critical priority and I absolutely understand from a veterans' perspective this is -

**CHAIR** - Not just the veterans, it's the community.

**Ms WEBB** - I think the whole Hobart community is pretty interested to see what this would look like from the street.

**Mr EVANS** - I highlight the veterans because they have a direct and absolutely critical interest. But I do appreciate it is of enormous interest to everyone else too. I am not suggesting for a minute that it is not. That work is currently being done. I have said that. I have just taken some advice, it is likely that we will have that in the next couple of weeks.

**Ms WEBB** - There is no explanation for why you cannot extrapolate it from the same picture already here?

**CHAIR** - We will ask him for it.

**Dr BROAD** - In terms of the development itself, at the moment, what has happened to the developers for the escarpment? Where is that development at? No doubt those developers have incurred some cost. Has that cost been rebated to them? Are they just sitting in limbo, or have they been paid to go away?

**CHAIR** - And the cost associated with this were factored into the business case in addition to that?

**Mr EVANS** - Minister, it might be useful to get the acting CEO of Macquarie Point Development Corporation up, because she is managing those relationships with the existing tenants and potential developers on site.

**Ms ANNE BEACH**, ACTING CHIEF EXECUTIVE OFFICER, MACQUARIE POINT DEVELOPMENT CORPORATION, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**Ms BEACH** - In regard to Milieu, they remain their preferred proponent for the escarpment and the corporation continues to have a heads of agreement with them for that, which ends on 30 June. So, it's the status quo, there is no change.

**Dr BROAD** - There has not been any funding or any agreement with them, any money handed over?

**Ms BEACH** - They remain the proponent for the escarpment. There is no development approved for that yet. We continue to work with them as part of our ongoing contract arrangements. There is funding that is available to support that and to cover costs, but no additional to that, that were in existing contract arrangements.

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**Dr BROAD** - Can you elaborate: there is funding to support them for their costs that they have incurred should they be told that there development is not available, the land is actually not available?

**Ms BEACH** - My apologies. It is not compensation. As part of normal developments, there are arrangements around cost reimbursements, but that's not around whether the land is available or not, it's around supporting the development.

**CHAIR** - We might pursue this further when we have the Macquarie Point chair here as well at a later time and we are hearing from them.

**Dr BROAD** - Can we have a figure? They've obviously paid some money.

**CHAIR** - Have you got a figure now for the money that has been paid already?

**Ms Beach** - I would need to get that and bring that to the Committee.

**CHAIR** - We'll get that, we'll follow that up on notice.

Okay, I just wanted to ask, still on this site selection and option paper here, I couldn't find in it any detailed information about traffic management of both sites. I think anyone who drives through Hobart at any point in time coming around the corner off the Brooker, round past the ABC heading towards Davey Street would understand there's a fair bit of traffic there, even on Sunday. What have we got around traffic management and how is that going to be dealt with, assuming that a lot of people will arrive in cars at either site, certainly in Macquarie Point. How will that be managed?

**Mr SWAIN** - Urban renewal -

**Mr BARNETT** - I think Gary is definitely the person who can answer this, but I think that it's part of the Urban Renewal objectives that we mutually have with the Federal Government and the opportunities for housing into the northern suburbs on that transit corridor, which will be rapid buses, but I will pass to Gary.

**Mr SWAIN** - We have been thinking about transport for greater Hobart obviously for quite a while through the pressures of congestion in the Hobart City Deal. In that regard, we have been specifically thinking about the three main arterials into the city - the Tasman Highway, the Southern Outlet and the Brooker - and the Northern Transit Corridor is part of that corridor.

There is a huge range of investments that are already under way in relation to, effectively a transport task which is 75 per cent comes to the city and stays for the day and then leaves, and we're also thinking about the 'what next' bit of that, above and beyond what's currently in development or delivery. The what's next bit involves rapid buses, as we need to make sure that some of the growth in the city ends up in an increased mode-share outside of cars. That is where rapid buses would come in, and ferries, and probably some increased investment in active transport, recognising that e-scooters and e-bikes change the possibilities there in terms of the typography of Hobart, which is pretty demanding.

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**CHAIR** - Is that assuming that 70- and 80-year-olds will be riding on the e-scooters?

**Mr SWAIN** - No, what we're saying is, we pretty much know that for Hobart, the difference between school holidays and non-school holidays is the congestion problem. That quantum, plus the growth in Hobart needs to be spread across the modes more, with less gain in cars than we have. With the investments that are already prepared, there are three-metre pathways on either side of the Tasman Bridge, there is already funding for the next stage of development of the northern corridor, we are already doing thinking on the buses, all those things play in to this site uniquely because it is at the intersection of the three main arterials.

So we can leverage off all the investments that are needed for Greater Hobart in a unique way, whereas if you put this facility on say along one of these arterials, you would have a range of additional transport challenges associated with moving people through the city, which would actually be really problematic.

In relation to the two sites, we need a northern access, the Regatta versus Macquarie Point; we need a northern access to the point, to the port; that is simpler if you have a stadium located at Mac Point than if you're in the Regatta. The reason it's simpler is you start to get a very crowded space because we need to make sure that road comes off the Tasman Highway in an efficient way, and it cannot run under a stadium because of terrorism limitations to the design of the stadium. So that northern port access was actually going to be very complicated with a Regatta Point site, whereas with Macquarie Point you still have the room to come in behind, effectively, behind the site where it'll be. I hope that answers the question.

**Mr BARNETT** - Can I just add quickly to that, Chair, and into a working port, which we haven't talked much about, but TasPorts and the port would continue as a working port. I just wanted to make that point. The second point is that we are working with the four Greater Hobart councils and we have the Greater Hobart Plan, which we are obviously really proud of it.

What Gary's talking about in terms of the transit corridor and more access to better housing, infill housing, what we're doing is entirely consistent with the Greater Hobart Plan. It's a 30-year plan to grow Hobart. Our population is going to grow some 80,000 between now and 2032-33, so we need to have access to more housing, infill housing, particularly in and around Hobart and Greater Hobart, not to mention the rest of the state. This is part and consistent with our objectives of the Greater Hobart Plan.

**Mr SWAIN** - I have one really important thing. Normally, with any big development, there will be a traffic management plan developed for that development. Normally it is an external part, and he is putting it to State Roads - and in effect, State Growth.

When that task is done, which we are about to kick off, you would normally start off with some solution principles. Your solution principles, in this case, may include things like priority for disability, priority for freight drop-off, priority for pedestrians, and very limited use of private cars in and out of the site for stadium events - which is also an important consideration in relation to the RSL.

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So, you would start off with some principles around the transport needs of the site. That then is translated into a traffic management study. That then becomes a discussion with the network owner, which is State Roads - part of State Growth - and we're about to kick that off.

**CHAIR** - You're about to start that work?

**Mr SWAIN** - Yes.

**Ms WEBB** - I will follow up on those questions around traffic. From what I gather, from the modelling in the PwC report, we're modelling about 70 per cent attendance to major events, typically. That's 16,000-odd, I think, for a stadium of 23,000. It says also - because I found the figures about local versus interstate and other visitors - about 31 per cent are projected to come from Hobart and surrounding suburbs. So, you have more than 5,000 people from Hobart and surrounding suburbs typically expected to come to the events that are held there. Over 5,000; let's say 5,500 people. How many of those do we expect are going to be taking active and public transport? And for the large proportion of them that won't be, where are they going to park?

**Mr SWAIN** - Firstly, you try to actively channel as many of them to -

**Ms WEBB** - Sure, I accept that, but of the 5,000, what proportion would we expect to channel into those other methods?

**Mr SWAIN** - That's the study we're about to do. This is where the Greater Hobart Plan becomes very important. In relation to car parks, we would hope to connect the site back into Collins Street, in particular, so you can access some of the parking that already exists in the city which, when most of the events will be on, will be underutilised, because it won't be during the peak period.

Similarly, with the rapid buses, we will need to invest in a fleet that can service the peak periods of the day, morning and night. Typically, that fleet will be underutilised on weekends and at night times when the events will be on, so we would be seeking to utilise that investment.

Again, with the ferries, you will have ferry infrastructure established for commuting needs so you can put on event-based services for events in the stadium.

That's what I meant by the location of the stadium being unique in that it allows us to leverage off investments that are required for the city anyway.

**Ms WEBB** - From what I'm hearing there, some number of thousands of cars that will be coming - because we can imagine we're not going to be getting huge proportions of people into those other modes. Even if it was 50 per cent, we're still talking about thousands of cars coming in. They're going to be channelling through our existing city street grids into those car parks in the city, in and out, at the beginning and end of the game.

**Mr SWAIN** - Firstly, if you look at something like the MCG, a tiny fraction goes in cars. The vast majority move in alternative ways.

**Ms WEBB** - It's a very different environment.

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**Mr SWAIN** - That's the aim of modern stadium design. Going specifically to your point, at its peak, 91,000 vehicles a day are going over the Tasman Bridge. Really, in relation to the peak task of the city now across our key bottlenecks - which at the moment are the Tasman Bridge and the Southern Outlet - this is not a large proportion of vehicles, compared to the peak challenge we already have to drive our infrastructure and services to meet.

**CHAIR** - We're going to run out of time. We have a few questions that I'll indicate we'll send, but we'll probably also be inviting you back.

**Mr WILLIE** - I can't see anywhere in these documents where there's a 3,000 conference centre. I can't see anywhere in these documents where there's funding allocated to the transit corridor. I can't see in these documents anywhere where there's funding allocated for additional ferries and terminal upgrades.

My question to the Minister is: do you anticipate that these additional things to the stadium project will be in place when the stadium becomes operational - and how are you going to fund it all? Are you going to ask the Federal Government for project funding for these things?

**Mr BARNETT** - Thank you for the question. Kim Evans outlined the process of how we manage our budgets and deal with major infrastructure projects, and Gary likewise.

Firstly, it's really important that we progress this in consultation and with the support of the Federal Government. We are awaiting that commitment. The Premier has had positive discussions with the Prime Minister and we're hoping to hear back as soon as possible.

Having said that, we do have a vision for Greater Hobart. We have the Greater Hobart Plan. As I said in my opening remarks, we have very good discussions with the Federal Government on the Antarctic Science precinct. My department is working with the Federal Government department as we speak, progressing that precinct at Macquarie Point. The flow-on benefits will be massive. We're talking hundreds of millions of dollars of investment over time. We're excited about that. We're excited about the opportunity for the north-south transit corridor, as Gary has outlined, and, yes, it will take time, and it does need to work in parallel with the development of the stadium.

In terms of the timing, I'll ask Gary and/or Kim to respond but, yes, we do have a big plan, a big vision locking in Hobart as the gateway to the Antarctic, for example, for the next 50 years. This is all part of our vision.

**Mr WILLIE** - It's okay to say that, Minister, but my question is about how you deliver it. There's no funding proposal in any of these documents for the ferries, the conference centre or the transit corridor.

**Mr BARNETT** - I mentioned the Antarctic Science precinct. My department is working with the Federal department - and good discussions with Tanya Plibersek, the Federal Minister, at a high level with our Government. These are plans where they would be investing through the Australian Antarctic Division. They will be investing there through CSIRO. We would make the land available, work in partnership with them at Macquarie Point. It's a real opportunity and that's why we're working so closely with them.

## PUBLIC

**Mr WILLIE** - My question was specifically about the transit corridor - the ferry terminals, the ferries and the conference centre.

**Mr BARNETT** - I think you asked a number of questions. I've dealt with some of them. I'll pass to Kim or Gary to add to that.

**Mr EVANS** - I can deal with the conference facilities. We would build into the design specifications for the stadium to meet the provision of conference facilities within the facility itself.

**Mr WILLIE** - For 3,000 people?

**Mr EVANS** - It's still to be absolutely locked in, but I've talked about the number of business events of roughly 1,500 people that we missed out on. We need to work with the business events community to work out the detailed design specifications for that particular point.

We also need to work with the Antarctic Division and the Antarctic community. For example, CCAMLR needs conference facilities. We see a massive opportunity, as do they, to ensure that within the arts, culture and sporting precinct, we have facilities that could be utilised by the Antarctic community - for example, CCAMLR.

**Dr BROAD** - Within the same funding?

**Mr EVANS** - We anticipate it would be within the funding footprint for the stadium as it relates to the conference facilities. It's not a separate conference facility sitting remote from the stadium. That's not what we envisage at this stage.

**Ms WEBB** - Within the same stadium building?

**Dr BROAD** - And funded in that same envelope of cash?

**Mr WILLIE** - In terms of the transport modes, will the stadium be operational before they're in place?

**Mr SWAIN** - We are looking at the sequencing of current and planned investments around that, thinking not just about the stadium but also network capacity and workforce contractor availability; they are the key things. There are some investments that are already planned, like the Tasman Bridge upgrade.

**Mr WILLIE** - Which is for a pathway.

**Mr SWAIN** - Yes, but a pretty important one, and it is also bridge strengthening.

**Mr WILLIE** - It does not increase the capacity of the bridge; it allows for active transport.

**Mr SWAIN** - It would massively increase the capacity of the bridge.

**Mr WILLIE** - Not in terms of cars.

## PUBLIC

**Mr SWAIN** - Not in terms of cars, but we are not seeking to encourage more cars. With the Commonwealth generally, their big problem is that the ring roads and tunnels that are happening in other jurisdictions are massively problematic, both politically, what they mean for community, and also their cost. I talked to my counterpart in Victoria who said he had a 10 per cent overrun on a project; the problem with that is that the project was a \$30 billion project.

We are trying to have a conversation with the Commonwealth about a whole city solution for transport, where they recognise some contributions the state would make that under their legislation they can't fund, but they can recognise as part of our contribution.

Conversations with the Commonwealth have generally been much more productive when we have a strategic approach. I am not talking project by project; I am talking corridor or whole location, and that is what we are trying to do for the bits of the transport planned that are not currently funding.

**Mr EVANS** - That's in the context of the Greater Hobart Plan, which has been developed for councils and the Government.

**Mr SWAIN** - In this case, if you have a proposal that involves upgrading one of the highways with some additional buses, and you have another demand source that is out of peak, it will actually improve the business case for those projects, because the utilisation of those assets will be fuller.

**CHAIR** - We are out of time. We have actually gone a little bit over. I appreciate you assisting with that. However, there are still questions I did not get time to ask, and I am sure other members are probably the same. I had a range of questions around the commissioning of the various reports. I think they are probably better asked as questions on notice to you because it is more factual information, if you are happy to take that.

We have a series of questions that we will send to you as well.

This is the first hearing we have had on this, and there will be many other hearings with other key stakeholders.

Sadly, the RSL could not make it today because of a bereavement in their membership. They will be appearing at a different time.

We will be inviting you back later in the process, so thank you for your time today.

**Mr BARNETT** - Thank you.

**THE WITNESSES WITHDREW.**