MACQUARIE POINT
DEVELOPMENT CORPORATION

Simon Scott
Committee Secretary
Public Accounts Committee
via email: Simon.Scott@parliament.tas.gov.au

Dear Mr Scott

Thank you for the letter from the Parliamentary Accounts Committee Chair, the Hon Ruth Forrest MLC, dated 31 March 2025. The letter outlined questions taken on notice, following my appearance with the Chair of the Macquarie Point Development Corporation, Mr Kim Evans, at the Public Accounts Committee on 26 March 2025.

In response to the questions asked, I can provide the following information.

1. an updated and detailed costings of the stadium build to the current schematic design

At the Committee hearing, the question taken on notice was to provide a breakdown of spend to date, specifically on preparing documents for Project of State Significance process. At the hearing I said that project spend to date was approximately $12 million. We have cross checked costs and as at end of February 2025, the project spend to date is $18.9 million, with $1.8million specifically attributable to the Project of State Significance process.

In regard to the additional question asked above, the individual elements that make up the capital cost estimates are set out in the description and subtotal columns in the key components cost spreadsheet submitted to the Tasmanian Planning Commission on 31 January 2025 in response to a request for further information.

The summary notes the trade and build cost for each element under the sub total column, and separately allocates on-costs, escalation and provides the resulting total for each item. Totals for each of these columns are at the top of the spreadsheet.

We are currently in the detailed design process and an updated cost plan will be developed to reflect revisions to the design to respond to user and operator requests around functionality. An updated cost estimate resulting from the detailed design process will be prepared ahead of seeking project approval.

2. a list of the scope and breakdown of the participants to the recent market sounding process including what sector and type of participant

Registrations for the market sounding process closed on 17 January 2025, with 42 interested party submissions received.

Of the 42 interested party submissions received, there were:

- 4 sponsors
- 7 construction contractors (tier 1 & 2s)
- 17 advisors
- facility managers
- 2 specialist sub-contractors
- 2 other organisations

This included 12 organisations based in Tasmania or with a significant presence in Tasmania.

3. an update of the discussion and outcomes between Hobart City Council and MPDC with respect to the coach pick up and drop off at the Lower Domain

People travelling by chartered private coaches are estimated to comprises 2% of patrons attending large events. We have identified potential areas for private charter coach pick up, drop off and layover and are exploring using the Lower Domain for this purpose. No permanent changes would be required to the Lower Domain if it was used for this purpose. We engaged with the Hobart City Council as the Transport Study was developed, however, to date we have not specifically sought to seek a commitment to coach drop off at the Lower Domain. Engagement and confirming the most suitable arrangement will be progressed as part of detailed event transport planning for the operationalisation of the project.

4. an outline of the key milestones and dates when MPDC expect to reach planning approval, commencement and completion of construction, and other relevant milestones to the stadium build –

The Tasmanian Planning Commission are required to publish their Integrated Assessment Report on the Project of State Significance by 17 September 2025. After which, the next step is for the Premier, as the responsible Minister under the *State Policies and Project Act 1993*, to present a recommendation to Parliament setting out the approval sought and any conditions proposed to apply. Please find attached a schematic of the Project of State Significance process, a copy of which was also provided at the Committee hearing.

Early works are planned to commence at the end of this calendar year, pending planning approval. The main construction contract is expected to be awarded in the second quarter of 2026, with works to commence shortly after. The stadium is required to be complete before 31 December 2030, the final date in the Tasmanian Club Funding and Development Agreement. Exact dates are dependent on a range of factors including when planning approval is received.

a. Has the 60% completion date been revised because planning milestones haven't been met? If so, what is the new date?

If there is a change to the 60% completion date from 31 October 2027 we are required to inform the AFL by 31 October 2025 under the Tasmanian Club Funding and Development Agreement. Ahead of the 31 October we will form an estimate of when we expect stadium construction to start based on our works program to determine if we need to notify the AFL. We will monitor progress to enable an accurate update to be provided.

At the hearing I noted we would need to confirm with the AFL how 60% of stadium completion will be measured. For information it is noted that the Tasmanian Club Funding and Development Agreement specifies the following: '*confirmation from an independent quantity surveyor appointed by the Tasmanian Government that 60% of the building works for the construction of the stadium have been completed (as referenced by 60% of progress claims of the Adjusted Building Contract Sum certified by the project quantity surveyor)*'. This is anticipated to remain the case, however, this will also be confirmed to ensure accurate forecasting and reporting.

5. a list of when MPDC last met or corresponded with the key stakeholders mentioned at the hearing

Several stakeholders were referenced at hearing, please find below a list of the latest engagement with those mentioned:

- Federal Group – Last met on 25 September 2024. Last corresponded 17 December 2024.
- Regatta Association – Last met 23 August 2024.
- Returned Services League Tasmania (RSL) – Last meeting 11 December 2024. Last corresponded on 7 February 2025.
- Skills Tasmania and Keystone – Last met on 14 March 2025.
- Stadiums Tasmania – Last met on 8 April 2025. We have regular weekly meetings with Stadiums Tasmania.
- Tasmanian Symphony Orchestra (TSO) – Last met 11 November 2024. Last corresponded on 26 March 2025.
- TasPorts – Last met on 8 April 2025. We have a regular monthly meeting with TasPorts.
- TasNetworks – Site walk on 19 February 2025. The team also has regular fortnightly meetings with TasNetworks.
- TasWater – Last met on 31 March 2025. The team has a regular monthly meeting with TasWater.

6. a copy of the Event Schedule that had been used to estimate some of the financial analysis

Both an events calendar and optimistic events calendar were submitted as part of the Project of State Significance submission within the Financial Impact Report at Appendix G of the submission. The calendars can be found at page 37 of the report, information on the methodology used can be found starting at page 9.

7. a copy of what had been provided to the Tasmanian Planning Commission with respect to construction management plan and in particular any reference to the management of potential acid sulphate soils.

The Preliminary Results of Acid Sulfate Soil Investigation were submitted as part of the Project of State Significance submission as Appendix KK.

The preliminary Construction Management Plan was submitted as part of the Project of State Significance submission as Appendix AA. Acid sulphate soil removal is covered on page 52. The Plan is an initial document which is subject to change and will likely next be updated after engagement of the contractor and prior to site works commencing.

Further to the questions noted above, I also committed to provide a copy of the Transport Study Executive Summary. Please find a copy of this also attached.

Sincerely

Anne Beach
CEO

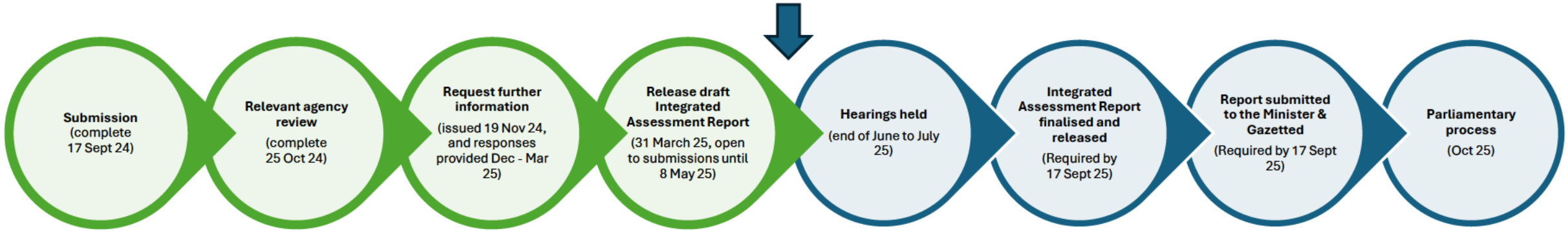
11 April 2025

Encl:

Question 4 – Project of State Significance process schematic
Question 6 – Financial Impact Report
Question 7 – Preliminary Results of Acid Sulfate Soil Investigation
Question 7 – Construction Management Plan
Appendix A – Transport Study Executive Summary (Appendix A)

Project of State Significance application process

We are here
(April 2025)
The draft Integrated Assessment Report is open for public submissions



Stages

Submission & review	Public engagement	Finalisation & recommendation	Approval

KPMG

Financial Impact Report

Macquarie Point Multipurpose Stadium

9 September 2024

KPMG.com.au

Disclaimers

Inherent Limitations

This report has been prepared as outlined in the Macquarie Point Development Corporation Scope Section in Attachment 2: Specification of the Contract dated 30 April 2024. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently, no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by Macquarie Point Development Corporation management and personnel consulted as part of the process. KPMG has indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

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Where any of the Services relate to assumptions about circumstances and events that have not yet transpired, we do not warrant that any assumptions determined by you are reasonable.

Where any of the Services relate to forecasts, projections or other prospective financial information prepared by us, we do not warrant that the forecasts, projections or information will be achieved.

Where any of the Services relate to the analysis or use of forecasts, projections or other prospective financial information supplied or prepared by you, we do not warrant that:

a) The forecasts, projections or information are reasonable;

b) The forecasts, projections or information will be achieved; or

c) The underlying data and assumptions provided to us are accurate, complete or reasonable.

Notice to Third Parties

This report is solely for the purpose set out in Attachment 2: Specification of the Contract dated 30 April 2024 and for Macquarie Point Development Corporation's information for the purpose of providing reports to the Tasmanian Planning Commission for the purposes of their undertaking an integrated assessment of the Macquarie Point Multipurpose Stadium as a Project of State Significance and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of Macquarie Point Development Corporation in accordance with the terms of the Contract dated 30 April 2024. Other than our responsibility to Macquarie Point Development Corporation, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

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Contents

Executive Summary

The proposed Macquarie Point Multipurpose Stadium (Stadium) is a key component of the broader Macquarie Point Development project in Hobart, Tasmania. The project is being delivered by Macquarie Point Development Corporation (MPDC) with Stadiums Tasmania to take on venue management responsibility when the Stadium is operational.

The Stadium aims to provide Tasmania's premier multipurpose sporting, arts, events and entertainment facility. Conditional for the creation of a new Tasmanian Australian Football League (AFL) team (the Tasmanian Devils Football Club or the Devils), the Stadium provides significant opportunity for heightened social engagement, economic development, and urban revitalisation.

The project is currently the subject of an Integrated Assessment as a Project of State Significance (PoSS). The Financial Impact Assessment, in addition to a Social and Cultural Analysis, Cost Benefit Analysis and Economic Impact Assessment, forms part of the PoSS submission. Prior to this stage, a variety of assessments were undertaken, including an extensive site selection process, as well as capacity estimates, economic assessments and cost benefit analysis. These reports culminated in a strategic business case which was released to the public in 2023.

The purpose of this Financial Impact Report is to provide decision makers with an understanding of the financial implications of the Stadium during construction and the operations period. It presents the direct costs and revenues associated with the implementation of the project, and the ongoing operation of the Stadium. Furthermore, it responds to the PoSS requirements regarding the impact on the State Government from a financial perspective. It is important to note that the analysis is limited to the Stadium itself, and not the broader surrounding precinct, or wider costs / revenues associated with the AFL team or Stadiums Tasmania, which is out of scope for this report. This report should be read in conjunction with the Economic Development and Social, Cultural and Community Wellbeing Introduction and attached disclaimers.

As a precursor to the financial analysis, it is important to consider that sporting infrastructure typically falls into the category of 'social infrastructure', which does not generate a direct financial return to society; rather, it returns value to the community through social, cultural, environmental, and other direct and indirect economic benefits and outcomes.

These assets are commonly referred to as public goods, in that the related benefits to society are available to everyone. Furthermore, there is no direct association between these benefits and the costs to society of providing them. This market failure means that, outside of government intervention, it would be unlikely that much sporting infrastructure would be developed by a private entity alone. Specifically, in the case of sporting infrastructure, such infrastructure relies on local councils and state governments to support its development, upgrade, and ongoing maintenance.

In order to undertake this analysis, a 'core' scenario has been developed which is considered throughout this report. In response to the current stage of design, the ongoing commitment from MPDC to continue to undertake value management activities in forthcoming months, as well as the PoSS guidelines, a number of alternative scenarios have been developed to provide a holistic picture of the Stadium's potential returns.

The Core Scenario utilises the current capital cost estimate ($774.91m)[1], with a number of items excluded from the capital cost estimate as part of value management activities. This includes a number of revenue generating elements including kitchen and food & beverage, audio-visual equipment and LED signage, with the assumption that these items will be funded by third parties. This scenario's operational financial performance is based on a 'core' event calendar.

[1] *Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024*

Key findings

- A 'core' event calendar was developed based on comparator venues and stakeholder consultation, and estimates that the Stadium could host between 36-38 event days per annum, including major event content through to smaller community level events. This corresponds to attendances of between 370,000-405,000 spectators per annum.[2]
- An 'optimistic' event calendar was also developed, which estimates that the Stadium could host up to 48-51 event days per annum, with corresponding attendances of between 514,000-569,000 spectators per annum.
- The Stadium's current cost estimate (prepared by WT Partnership) as at July 2024 is $774.91m with MPDC remaining committed to undertaking ongoing value management activities. The Stadium is targeted to be operational from January 2029.
- The 'Core Scenario' considered in this analysis produces an operating deficit of $2.14m in real terms in an average year prior to the application of lifecycle costs ($0.93m deficit under the 'optimistic' event calendar).
- Under the 'Core Scenario' this annual operating deficit could improve to an operating surplus of $1.09m per annum should a number of key revenue generating elements be accommodated within the cost envelope (i.e. kitchen and food & beverage fitout).
- Under the 'Core Scenario', over the construction period and first three years of operations, the Stadium has a total impact / cost (incorporating operating financials, lifecycle costs, and capital expenditure) of $780.64m in nominal terms.
- Over the construction period and 30 years of operations (i.e. the evaluation period), the Net Present Cost (NPC) for the Stadium is $695.56m, driven by the large upfront capital costs associated with assets of this nature. Results such as this are typical with comparable stadia projects, and the reason why there is limited examples of privately funded stadia within the Australian context – particularly in recent developments.
- Should value management exercises be successful, and the Stadium be delivered within the current budget ($715.00m) with key revenue generating elements accommodated within the cost envelope, the total impact / cost over the construction period and first three years of operations would be $708.80m, with a corresponding NPC over the evaluation period of $600.00m.
- Current funding commitments include the State Government ($375m), Commonwealth Government ($240m), and AFL ($15m). Based on the current capital cost estimate, there is a funding shortfall of $145m. This reduces to $85m if the Stadium is delivered within the stated budget of $715m. We have been advised by MPDC that MPDC has developed a value management strategy which will seek to deliver the Stadium within the budget.

[2] The delivery of this event calendar will be subject to the Tasmanian Government providing adequate event attraction funding in line with industry norms, along with the successful negotiation of mutually agreed terms with content owners, and the local market being able to generate acceptable returns for those content owners.

1 Introduction

1.1 Purpose

The purpose of this Financial Impact Report is to provide decision makers with an understanding of the financial implications of the Stadium during construction and the operations period. It presents the direct costs and revenues associated with the implementation of the project, and the ongoing operation of the Stadium.

This report aligns to the requirements set out within the Tasmanian Planning Commission Macquarie Point Multipurpose Stadium Guidelines as at 16 February 2024, section 3.3 – Financial Impact Report.

This section provides an overview of the overarching methodology and approach utilised to undertake the financial analysis of the projects. Specifically, the report includes analysis of:

- Section 1.3 - Demand for the Stadium (i.e. event calendar and attendances);
- Section 1.4 - The operational performance of the Stadium (in a stabilised year);
- Section 1.5 - An affordability analysis of the Stadium covering the construction period and first three years of operation;
- Section 1.6 - Project investment analysis utilising discounted cash flow analysis;
- Section 1.7 - Sensitivity / scenario analysis; and
- Section 1.8 - Broader financial impacts analysis, considering implications on the State's fiscal and debt position.

This financial analysis serves a different purpose to that incorporated within the cost benefit analysis report. This section focuses on the net financial impact to the Tasmanian Government (via MPDC during delivery and Stadiums Tasmania in operations) as opposed to the broader economic costs and benefits for the community – which are explored in the cost benefit analysis report.

It is important to note that the analysis is limited to the Stadium itself, and not the broader surrounding precinct, or wider costs / revenues associated with the AFL team or Stadiums Tasmania, which is out of scope for this report.

1.2 Approach

This Financial Impact Report focuses on using the outputs from the demand and utilisation analysis to develop a set of operating financial projections for the new venue that are linked to both event-specific costs and revenues, as well as overhead costs and annual revenue streams. The operating financial projections are then combined with the capital cost estimates, ongoing lifecycle costs and any other non-operational costs to develop estimates of the total net financial position of the project.

Combining the demand analysis, operating financial projections, and developing the whole-of-life-cycle project investment analysis enables a rigorous financial impact analysis to occur covering all expected costs of the project, providing an end-to-end view of the net cost of the project across both the construction and operations phases to the Tasmanian Government. The assessment will also include complementary analysis based on the PoSS guidelines requirement to explore the impact of changes in key variables and to identify the potential variation in impact from the project, based on a range of alternative scenarios.

The report responds to the PoSS guidelines, with Table 1 documenting the alignment between the guidelines and the relevant sections of this report.

Table 1: PoSS guidelines alignment

PoSS guidelines requirement	Section of report
Section 3.3 – Financial Impact Report (FIR)	
Impact of project's construction and ongoing costs on State's projected General Government Sector and Total State Sector	Section 1.8: Financial impacts analysis

financial position, with respect to key fiscal measures including, net operating balance, fiscal balance and net debt.	
Year-by-year cash flow projections associated with the project.	Section 1.4: Operating Result Appendix C: Stadium Cash Flows
Trends in key financial ratios for comparison purposes, including assessment of possible implications of the cost of State debt and the State's credit rating.	Section 1.8: Financial impacts analysis
Assumed treatment of the Commonwealth funding contribution by the Commonwealth Grants Commission under the fiscal equalisation process.	Section 1.8: Financial impacts analysis
Sensitivity analysis including the impact of a significant delay in construction and of cost escalation.	Section 1.7: Financial sensitivity / scenario analysis
Time period for financial projections is to be the time period for construction (and including the scenario of a significant delay) and the first three years of operations.	Section 1.5: Affordability during construction and three years of operations
3.5 Sensitivity and comparative analyses and information documentation	
The above reports are to provide a consolidated balanced overview of effects based on data and information drawn from the specific assessment methods outlined above.	Throughout
The reports should aim to address all significant beneficial and detrimental effects. Where there is a lack of evidence or direct quantifiable information, the reports may use information from other places in a balanced manner.	Throughout
The "Base Case" scenarios should clearly set out all relevant and material factors including: • the type and frequency of events and activities; • the composition and number of users/customers; • forecast/estimated costs and revenue; • organisations and associations that will use the facility; and • forecast/estimated effects on interstate visitation.	This FIR provides detail throughout on: • Type and frequency of events and activities; • Projected costs and revenue; • Organisations and associations that will use the facility. The remaining elements listed adjacent are considered as part of the cost benefit analysis.
Sensitivity analysis is to be undertaken as part of the Cost-Benefit, Economic Impact and Financial Impact assessments, to understand how different assumptions around risk and uncertainty affect outcomes. Sensitivity analysis should ideally include the creation of probability distributions for key cost and revenue parameters that include P10, P50 and P90 values.	This report sets out a number of alternative scenarios that test the sensitivity of results to changes across a number of a key variables / assumptions. Statistical measures such as P10; P50; P90 represent percentiles in a probabilistic distribution and refer to the confidence level that certain costs will not exceed a particular value. For example, a P90 cost indicates that there is a 90% chance that the actual cost will be equal to or less than the estimated value. Generally for projects of this nature, capital cost estimates can be developed to reach these levels of confidence following a sufficient level of detail of design, the development of a risk register, and then the adjustment of cost estimates to reflect the relevant components of the risk register.

It is not common to undertake probabilistic operational financial modelling for social infrastructure such as stadia. To do so would require the determination for all revenue and cost items; the distribution of the financial item, the probabilities associated with the relevant items, and the respective upper and lower bounds. These would then be simulated through a 'monte-carlo' analysis to produce a probabilistic estimate based unfounded and untested assumptions. The resulting outputs would not add additional relevant information to the investment decision.

However, sensitivity and scenario analysis has been undertaken within the relevant reports to provide insight into the impact of changes in key assumptions or inputs.

Scenarios tested throughout this report

In order to undertake this analysis, a 'core' scenario has been developed which is considered throughout this report. In response to the current stage of design, the ongoing commitment from MPDC to continue to undertake value management activities in forthcoming months, as well as the PoSS guidelines, a number of alternative scenarios have been developed to provide a holistic picture of the Stadium's potential financial impacts. The base case or 'Core Scenario' has been prepared based on assumptions that represent the best estimates at this time, using supporting evidence where available, including current Stadium concept design costing estimates as at the date of this report.

Note to the event calendar and attendances

KPMG / DHW Ludus have developed two event calendars, the impacts of which are tested in alternative scenarios throughout the FIR, Cost Benefit Analysis and Economic Impact Assessment. This includes the 'core' event calendar (a more conservative view), through to an 'optimistic' event calendar.

It is understood that Stadiums Tasmania (the operator of the Stadium), who were consulted as part of this engagement and supported the development of the event calendar, is a commercially focussed organisation who will be seeking to deliver an event calendar above the 'core' scenario, with an ambition to achieve an event calendar outlined in the 'optimistic' scenario. Therefore the range presented by the two event calendars provides the reader with an understanding of the differing outcomes that could be delivered by the Stadium.

MPDC has advised that the current capital cost estimates will be subject to further iteration and a value management process with the intention of achieving the budgeted capital cost, including some elements noted as exclusions in the current capital cost estimates. Accordingly, this scenario has been incorporated into our analysis.

Table 2: Scenarios adopted in the Financial Impact Report

Scenarios	Description of Scenario
Core Scenario: $775m, with the core event calendar	Utilises the current capital cost estimate ($775m)[3], with a number of items excluded from the capital cost estimate as part of value management activities. This includes a number of revenue generating elements including kitchen and food & beverage, audio-visual, LED signage, with the assumption that these items will be funded by third parties. This scenario's operational financial performance is based on the 'core' event calendar.
Alternative Scenario 1: $775m, with an optimistic event calendar	This scenario utilises the current capital cost estimate ($775m) as per the Core Scenario. This scenario's operational financial performance is based on an 'optimistic' event calendar.
Alternative Scenario 2: $775m with value managed revenue generating assets included, with the core event calendar	This scenario utilises the current capital cost estimate ($775m) as per the Core Scenario, however assumes those revenue generating items listed in the Core Scenario are

[3] *Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024*

	able to be incorporated within the cost estimate through ongoing MPDC value management exercises. This scenario's operational financial performance is based on the 'core' event calendar.
Alternative Scenario 3: $715m with value managed revenue generating assets included, with the core event calendar	This scenario is based on the current MPDC budget for the Stadium of $715m. It assumes that significant value management efficiencies are able to be achieved, with revenue generating items excluded from the Core Scenario incorporated within the cost estimate. This scenario's operational financial performance is based on the 'core' event calendar.
Alternative Scenario 4: Delay in Stadium completion, with the core event calendar	This scenario is based on the current capital cost estimate, however it considers the impact of a two-year delay to the Stadium's completion, with a protracted planning process (12 additional months) and construction phase (12 additional months). This scenario demonstrates the impact of escalation on the cost estimate. This scenario's operational financial performance is based on the 'core' event calendar, and does not include those revenue generating line items excluded as per the Core Scenario.

Background to stadia financials

As a precursor to the financial analysis, it is important to consider that sporting infrastructure typically falls into the category of 'social infrastructure', which does not generate a direct financial return to society; rather, it returns value to the community through social, cultural, environmental, and other direct and indirect economic benefits and outcomes.

These assets are commonly referred to as public goods, in that the related benefits to society are available to everyone. Furthermore, there is no direct association between these benefits and the costs to society of providing them. This market failure means that, outside of government intervention, it would be unlikely that much sporting infrastructure would be developed by a private entity alone without further opportunities being made available to a private investor. Specifically, in the case of sporting infrastructure, such infrastructure relies on local councils and State governments to support its development, upgrade, and ongoing maintenance.

To illustrate this point further, it is worth considering the cash in and outflows of sporting infrastructure throughout an asset's lifecycle. These will be expanded upon in greater detail subsequently, however at a high level, these are:

- **Construction costs**: Large cash outflows in the early years of the project evaluation period;
- **Lifecycle costs**: 'Lumpy' expenditure outflows incurred throughout the life of the venue; and
- **Stadium operational returns**: Annual return of the Stadium operations (i.e. profit / loss). For a stadium such as that proposed for Macquarie Point, a breakeven result prior to application of lifecycle costs would be a positive result. Due to the costs associated with running such a stadium, this annual result may be (and often is) a deficit. Ongoing funding is therefore usually required from the infrastructure owner (e.g. State Government) to continuously fund the operations of such a stadium, with the rationale being that the asset / activities support the owner's broader objectives (liveability, tourism, etc.) and therefore justify such investment.

The above highlights, that for sporting infrastructure of this type, the reality that there is unlikely to be a financial return that would produce a positive net present value (NPV) for the Stadium's construction and subsequent operation, particularly given the large, upfront capital expenditure required; therefore, the reader should be cognisant of this reality when reading this report. It is clear that the ongoing investigations and investment into major sporting infrastructure by State and Territory Governments does highlight that such facilities are seen as important assets within communities and support a range of other economic and social benefits.

Current Stadium design status[4]

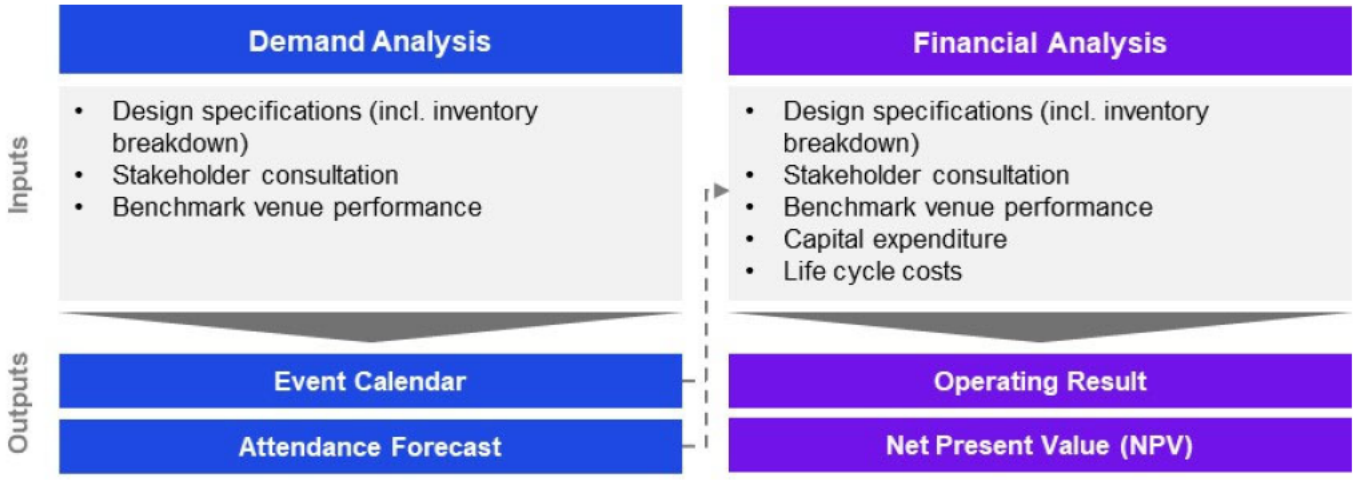
At the time of writing, the design of the Stadium has a number of items to be resolved at the detailed design phase. This includes a final breakdown of Stadium inventory, including the types of seats and hospitality products. To provide context for the financial modelling presented, the following represents a brief summary of the Stadium 'design' for the purpose of KPMG's / DHW Ludus' work (albeit the list is not necessarily exhaustive):

- Stadium capacity for patrons of 24,500 in 'sport' mode
- Stadium capacity of approximately 30,000 in 'concert' mode (including capacity / seating on the playing surface)
- For sport mode, a breakdown of seating by type as follows:
  - General admission capacity of 19,608 (inclusive of 1,500 standing)
  - Category 1 corporate capacity of 692 (higher yielding products such as corporate suites)
  - Category 2 corporate capacity of 700
  - Stadium membership capacity of 3,500
- The design provides a 'cold shell' for food and beverage infrastructure, signage and audio visual infrastructure, as well as office tenancies, however will require further investment to fund the fitout of these items
- The design includes function space for up to 1,500 people
- The design excludes external office tenancies
- Practice wickets will be on-site
- The design will be adequate to ensure the International Cricket Council (ICC) endorse its use for international cricket, noting there will likely be a requirement for a period of testing domestic cricket prior to test matches being hosted in the Stadium
- The design will be adequate for rectangular pitch sports to ensure reasonable sightlines for spectators

1.3 Demand and financial analysis

An overview of the demand analysis and financial modelling approach is outlined in Figure 1.

Figure 1: Schematic approach to demand and financial analysis



As part of the Financial Impact Report conducted in this engagement, KPMG engaged DHW Ludus to lead the development of demand and operating financial assumptions. The development of the demand analysis for the financial modelling analysis involved a consultation process with a range of government stakeholders and potential user groups, including those set out in Table 2.

[4] Cox Architecture

Table 3: Stakeholder list which informed the development of the FIR

Stakeholder List	
Government	Macquarie Point Development Corporation
	Stadiums Tasmania
	Tasmania Department of State Growth: Events Tasmania
	Tasmania Department of Treasury & Finance
	Business Events Tasmania
Content Owners	Cricket Australia
	Cricket Tasmania
	Australian Professional Leagues
	Football Australia
	Rugby Australia
	Melbourne Storm
	TEG
	The Australian Football League
	AFL Tasmania
	Tasmania Football Club
	National Rugby League
	Live Nation

DHW Ludus' scope and involvement in the preparation of the demand estimates and financial assumptions in this report:

- Was to inform KPMG's financial and economic modelling only;
- Is high-level in order to approximate the financial impact of potential Stadium operations; and
- Focuses on net cashflows for the Stadium itself (not the broader precinct).

Furthermore, the inputs provided by DHW Ludus do not represent recommendations on:

- Stadium capacity, Stadium design, the operating model or product composition;
- Commercial terms with suppliers;
- A Stadium Membership model;
- User agreement details; and
- A staffing structure.

Ultimately, final decisions on these items including commercial arrangements and venue management agreements will be made by relevant parties as the project progresses.

1.3.1 Stadium ownership and operating model

Current ownership and delivery agency

The entire Macquarie Point Precinct is currently owned by the MPDC under the terms of the *Macquarie Point Development Corporation Act 2012*. MPDC is a statutory authority that operates as a Public Non-Financial Corporation (PNFC), and is responsible for overseeing the planning and delivery of the Stadium and the renewal of the broader Macquarie Point Precinct.

Stadium ownership and operational responsibility post-completion

Upon completion of the Stadium's construction, the ownership and operational responsibility for the Stadium is assumed to transfer to Stadiums Tasmania.

Stadiums Tasmania was established in 2023 as a statutory authority to become the custodians of Tasmania's major venue infrastructure, centralising ownership, management, and operations across key venues in the State.[5] The venues set to be transferred to Stadiums Tasmania include those at UTAS Stadium, the Silverdome, MyState Bank Arena, Blundstone Arena, and Dial Park, and negotiations to transfer ownership and management responsibilities of some of these venues to Stadiums Tasmania have already commenced.[6]

This analysis assumes that, upon completion, Stadiums Tasmania will operate the Stadium on an in-house basis.

1.3.2 Demand analysis

Approach

The approach to developing the demand projections leveraged KPMG and DHW Ludus' experience regarding stadia developments in Australia, building on:

- Demand related insights from the consultation process; and
- Comparative / benchmark insights regarding the historical event calendar and attendance levels at comparator venues across Australia.

The first analytic step in the study was to develop projected estimates of the two key concepts of venue demand:

- **Event calendar** – The forecast frequency and type of events to be hosted at the venue post completion; and
- **Attendance projections** – For each event, the forecast number of people who will attend an event, broken down into product categories (e.g. general admission, premium / corporate product, member, etc.).

The event calendar is the single most important driver of a venue's financial performance. The event calendar is the key driver behind average attendance levels and therefore key event day revenue streams, such as catering revenue. The number of event days (and annual event attendance) is also a key driver of a number of other revenue streams, such as naming rights, sponsorship, signage and supply rights (e.g. pourage rights). The value of the majority of these non-event day specific revenue streams rests largely in the level of exposure to event day patronage (and broadcast levels) and therefore the event calendar.

The approach to developing the demand projection also considered seasonality of events (and calendar capacity), regular season content, marquee / irregular events, and other non-event day activities (e.g. non-event day function hire, stadium experiences, etc.).

The outputs from the demand and utilisation analysis informed key assumptions that are used in the operating financial projections which form the basis of the financial analysis in this report.

Event calendar projections

The financial model that underpins the forthcoming analysis is based on a demand projection over a forward 30-year evaluation period (post-construction). An annual event calendar has been developed to show the low and high range of events in any given year. There are some key assumptions that underpin the event calendar, including:

- Content is not guaranteed and will be the subject of negotiation between Stadiums Tasmania and the content owners.
- Resolution of broader negotiations will be required to take place. For example, with assets that are to transfer into the Stadiums Tasmania portfolio and deals with content owners that are currently housed elsewhere (i.e. Cricket Tasmania who currently have a long term lease at Blundstone Arena from Clarence City Council).
- A commitment to share content across the State will result in some fixtures for home franchises, such as the Tasmanian Football Club (TFC) and Hobart Hurricanes, continuing to be hosted at alternate venues, such as UTAS Stadium.
- The venue being approved by content owners and regulators (for example the ICC for international cricket).
- Event attraction fees will likely be required to incentivise content to the Stadium (see below).

[5] Stadiums Tasmania Act 2022
[6] Stadiums Tasmania Annual Report 2022-23

Event attraction and hosting fees

Local and State governments across Australia are increasingly looking to events as a key pillar of their economic and social narrative, creating a competitive environment for event attraction.

KPMG and DHW Ludus conducted a broad range of stakeholder engagement with content owners who would potentially host content at the Stadium, and it was evident that, in many instances, Tasmanian Government funding would be necessary to attract content to the Stadium. While event attraction funding will be required to be funded by the Tasmanian Government, these expenses typically do not sit within the profit and loss of a venue or venues body, but rather in the part of government responsible for attraction funding (e.g. Events Tasmania). Further commentary is provided in Appendix B.

Average year and methodology for attendance projections

The overarching methodology used for projecting attendances for this analysis has been to use an assumption for the average operating year across the evaluation period. There are a number of factors that affect attendance at sporting and entertainment events, including:

- On-field performance of the teams (or quality of the entertainment event);
- Timing of the event;
- Broader economic conditions;
- Complementary experiences (e.g. pre and post event offering, transport etc.);
- Competitive experiences (e.g. improvements in the home theatre experience, or increased competition from other entertainment products);
- Broader performance / attractiveness of the sporting competition; and
- The cost associated with attending the event.

Further, crowd support is likely to vary year by year due to the aforementioned factors, which has an impact on the financial results of the proposed Stadium. Accordingly, for the purposes of this analysis we have provided financial projections for an "average year" of operation of the venue taking into account the characteristics and capacity of the proposed Stadium.

In developing the event calendar and attendance rates to develop the associated attendances, a number of comparable interstate venues for relevant codes and events were considered. This has included (but was not limited to):

- Oval venues including: Kardinia Park (GHMBA Stadium), Carrara Oval (Heritage Bank Stadium), Adelaide Oval, Perth Stadium (Optus Stadium);
- Similarly sized venues including: Western Sydney Stadium (CommBank Stadium), Melbourne Rectangular Stadium (AAMI Park);
- Roofed venues including: Docklands Stadium (Marvel Stadium); Forsyth Barr Stadium (Dunedin); and
- Local venues including: York Park (UTAS Stadium); Bellerive Oval (Blundstone Arena).

As previously stated, projections have been developed based on consultation with potential users, discussions with MPDC and Stadiums Tasmania, as well as benchmark attendances as those venues listed above. Some conservatism was allowed for in estimating attendances at the venue, with an acknowledgement that some events could result in higher attendances than reported.

Table 3 presents the annual core event calendar and attendance projections for the Stadium.

Table 4: Average annual 'core' event calendar and attendance projections

Event category	Event	Annual event days	Average event day attendance	Commentary
AFL	AFL (TFC)	7	20,825	Attendances for AFL matches across a selection of major stadiums around Australia (outside of Victoria) in 2023, as a percentage of venue capacity, typically ranged between 44% to 75%. The adoption of a high attendance percentage at the venue considers the demonstrated latent demand (based on the initial foundation membership subscriptions for TFC) and the likelihood of higher pre-sale and annual reserve seat sales at the venue. The attendance estimate of 85% (as a percentage of capacity) also reflects 'no shows' and unsold tickets which is a standard occurrence for all events and provides for an element of conservatism. Based on discussions with the TFC and Stadiums Tasmania, it has been assumed that four of the 11 event days as part of the regular AFL season will be hosted at UTAS Stadium – although it is noted that the final split of content is yet to be determined.
	AFLW (TFC)	3	4,900	Based on discussions with Stadiums Tasmania and the TFC.
	AFL pre-season	1	6,125	Assumes a single pre-season match at the venue.
	AFLW pre-season	1	2,450	Assumes a single pre-season match at the venue.
Cricket	Test Match	4 (1 event)	14,088	Assumes that test matches are an average four days in duration with crowds across the four days assumed to be approximately as follows 19k, 16k, 11k and 10k, respectively. Inclusion of a test match in 'Base Case' is based on advice from Cricket Australia and Cricket Tasmania that a test match under a fixed roof would be approved by the ICC and would commence in year 3 to allow for trial events at Sheffield Shield level, and that Cricket Australia would allocate an annual test match to Tasmania. Typically for test matches across a selection of major stadiums around Australia, attendance as a percentage of venue capacity ranges between 24% to 65%. The adoption of the assumed attendance percentage (57.5%) considers the venue being a smaller capacity and being roofed.
	Men's ODI / T20	1	15,313	Typically for ODI/T20 matches across a selection of major stadiums around Australia, attendance as a percentage of venue capacity ranges between 27% to 73%. The adoption of the assumed attendance percentage (62.5%) considers the venue being a smaller capacity and being roofed.
	Big Bash League (BBL)	4	10,413	Based on historical levels, with an assumed uplift for the improved amenity assumed within the design along with the roof.
	Women's ODI / T20	1	4,900	Based on comparator venue attendances.
	Women's Big Bash League (WBBL)	4	2,450	Based on comparator venue attendances.
Football	Socceroos (Tier 2 friendly)	1 in every 4 years	22,050	Assumption is that these events are non tournament qualification matches or with a lower drawing nation. Attendance estimate (90%) assumes a high percentage as a share of venue capacity based on benchmarking of events at other venues around Australia, demonstrating the popularity and high attendance rates for this event type.
	Matildas (Tier 2 friendly)	1 in every 4 years	22,050	Assumption is that these events are non tournament qualification matches or with a lower drawing nation. Attendance estimate (90%) assumes a high percentage as a share of venue capacity based on benchmarking of events at other venues around Australia, demonstrating the popularity and high attendance rates for this event type.

Event category	Event	Annual event days	Average event day attendance	Commentary
	Youth International	1	2,450	Based on comparator venue attendances and stakeholder consultation.
Rugby League	NRL Club Match	1	17,763	Key stakeholders identified opportunities for trial matches, however these may utilise other venues in Tasmania. Typically for NRL matches across a selection of major stadiums around Australia, attendance as a percentage of venue capacity averages approximately 56%. The adoption of the higher attendance percentage (72.5%) considers the venue being a smaller capacity and being a roofed as well as the event only being hosted once each year.
Entertainment	Concerts (Full Stadium)	1	30,000	Event would need to be part of a broader tour as location / venue size is not likely to be attractive for a 'one off' exclusive event. Likely only single show initially (until market is proven). The higher attendance percentage reflects the likelihood of the event being a popular marquee act playing at the venue.
	Concerts (Arena Mode)	1	10,000	Industry advice indicates an opportunity for arena style events with attendances between 9,000 – 13,000 attendees as no venue exists in the local market for this size event.
	Adhoc sport / entertainment	1 in every 2 years	12,000	Industry advice indicates an opportunity for events such as, for example, Boxing, Monster Trucks and Freestyle Kings events every couple of years.
Community and local events	Local Football Grand Final	1	4,900	Community level events do not drive commercial outcomes for the venue and are included as part of supporting pathways, and ensuring that the asset is available for use by the community.
	VFL Tasmania Devils / VFLW Tasmania Devils (Double Header)	2	2,450	
	Coates Talent League (Double Header)	1	613	
	Existing Mass Participation Events	1	1,500	
	Existing Local Events	1	1,500	
Total		**36-38**	**370,693-404,743**	

Note: Non-event day business functions are not included in the total annual figures.

The event calendar presents a range of events that the Stadium may be able to attract, as well as the frequency at which they may occur. This leads the total annual number of events to range between 36 and 38 event days, depending on the event cycle. This corresponds to an annual projected attendance ranging between 370,693 and 404,743 per annum in an average year of operations, driven by the fluctuation in the quantity of events hosted at the Stadium across different years.

In addition to event day hosting, the Stadium is also set to include appropriate space to host business, association and trade show events in its function and dining spaces. Based on discussions with Business Events Tasmania, as well as a broader analysis of the current state of the business events market in Hobart, an analysis of potential events in functioning and dining spaces was conducted.

The event calendar estimates an additional 104 non-event day events with an average attendance of 250. This corresponds to a total additional attendance of 26,000 per annum.

1.3.3 Financial analysis

Approach

In order to develop the financial analysis, a view of the Stadium's potential operating performance was developed. This operating performance drew upon a number of sources, including:

- Stakeholder consultation;
- The design and inventory breakdown of the Stadium;
- Workshops between MPDC, Stadiums Tasmania, DHW Ludus and KPMG;
- Information provided by Stadiums Tasmania regarding key operational components, such as the membership model to be employed;
- DHW Ludus and KPMG's industry experience; and
- Capital cost and lifecycle cost inputs provided by MPDC's appointed quantity surveyor, WT Partnership.

Following the development of the operating 'profit and loss' for the Stadium, project investment analysis, including the development of an NPV for the project, was able to be undertaken – noting that this analysis is based on a range of assumptions that will need to be refined as the project progresses.

Stadium operating performance

The interplay between events, attendances and financial performance

The operational performance of a stadium is complex, with significant relationships between events, attendance, and annual revenue streams, and competition for event content between venues within and outside the relevant jurisdiction. It is not as simple as comparing an event calendar and attendance projections, and these flowing directly through to financial outcomes. Each hiring deal is different, and the broader revenue streams of the Stadium, such as membership revenue, annual corporate product sales or naming rights, are driven by the quality of the event calendar, overall annual attendance, and dynamic between the venue operator and content owners (see below for more detail).

Hiring agreements

Hiring agreements between venue hirers and operators are a key driver of the financial performance of community sporting infrastructure. There are a range of potential revenue sources that both the venue operator and hirers can derive from venue operations. Similarly, venue operators and hirers face a range of associated costs.

Each hiring agreement is essentially the outcome of negotiations, where the deal may be made in several different ways to provide returns and share risks and incentives across both parties.

Typical hiring agreements across Australian stadium infrastructure include the following revenue / cost sharing components:

- The sport retaining the majority of net ticketing revenue, with the venue sometimes receiving a

share of this revenue;

- The venue retaining a share of gross catering revenues as a catering commission with some sharing of this commission with the hirer;
- The venue retaining a share of the inside ticketing charge (i.e. ticketing fees) with some sharing of this revenue with the hirer;
- The venue retaining all, or a majority of, naming rights and supply rights at the venue; and
- The hirer being responsible for all event day expenses (e.g. security, cleaning, event day staffing).

Capital expenditure

WT Partnership have prepared the capital cost estimates for the Stadium based on designs developed by Cox Architects. Construction information, along with the cash flow profile over the construction period is presented in Table 5. Additionally, Figure 2 presents a visual representation of the cumulative construction costs and key milestones. For clarity, these capital costs exclude lifecycle costs (considered in the next section).

Table 5: Key milestones

Description	Date	Duration
Consultant fees and MPDC costs	May 2024	Ongoing
Site preparation and planning (early works)	July 2025	9 months
Construction works (main works)	December 2025	37 months
Assumed Stadium opening	January 2029	na

Source: Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024

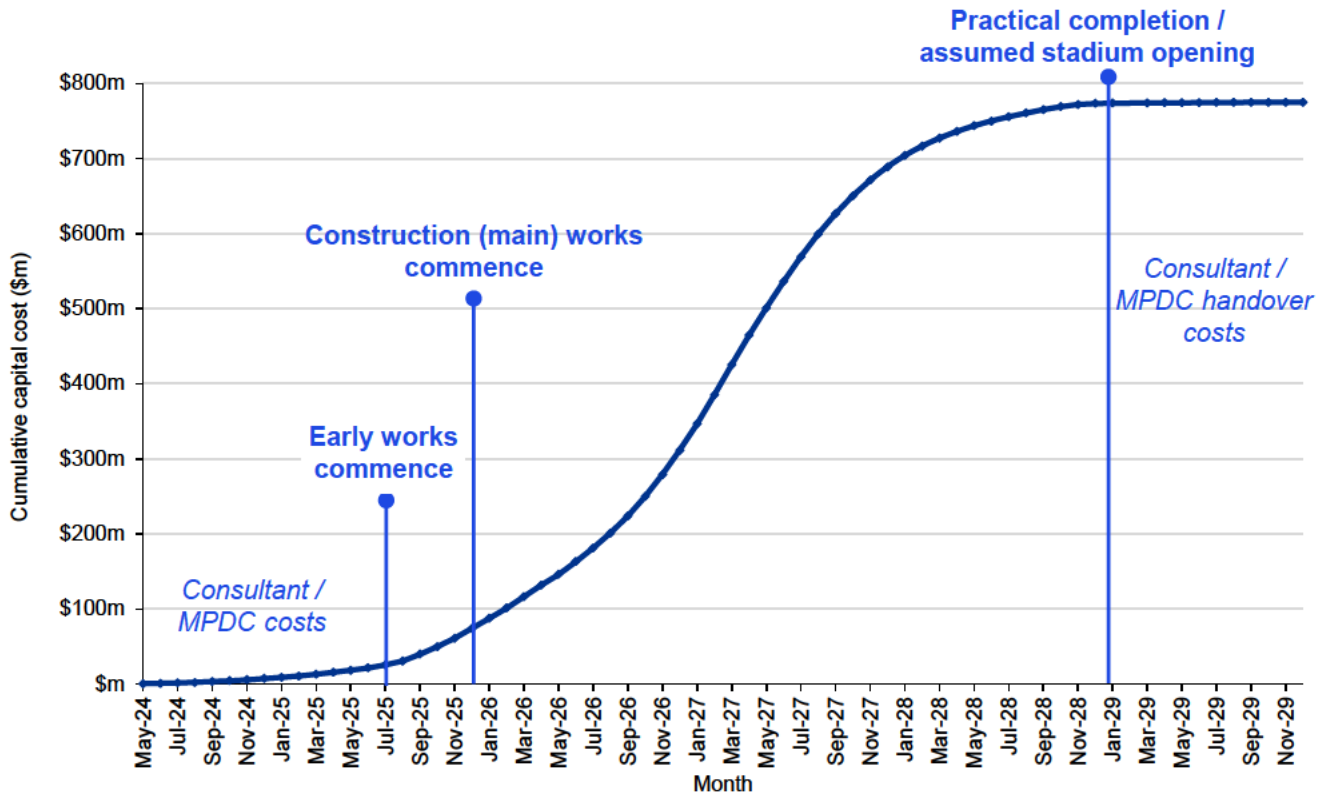
Table 6: Capital expenditure estimates and cash flows ($m; nominal)

Description	Output
Estimated construction duration (months)	42 months (Early works to end of Construction works)
Total Capital cost	**774.91**
Year 0 (2024)	7.40
Year 1 (2025)	66.65
Year 2 (2026)	237.28
Year 3 (2027)	377.51
Year 4 (2028)	84.62
Year 5 (2029)	1.45

Source: Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024

The total capital cost as estimated by WT Partnership as at 10 July 2024 is $774,905,000.The table above includes some minor costs in 2024 and 2029 primarily relating to consultant fees and MPDC costs. Site preparation and planning (early works) are assumed to commence in July 2025, with main construction works commencing in December 2025. The Stadium is assumed to be operational from 1 January 2029.

Figure 2: Capital expenditure S-Curve ($m, nominal)



Source: Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024

Lifecycle costs

In addition to regular repairs and maintenance (included in the operational projections), sporting infrastructure has an ongoing requirement for major capital replacement to keep the venue fit-for-purpose as elements within the venue come to the end of their economic useful lives. Typically, lifecycle costs are 'lumpy' across the life of the asset. For example, there may be minimal spend in the early years of the venue, followed by a major refurbishment / upgrade in latter years as various elements require replacement. For this project, WT Partnership have provided estimates of lifecycle / capital replacement costs, presented in Table 6 below.

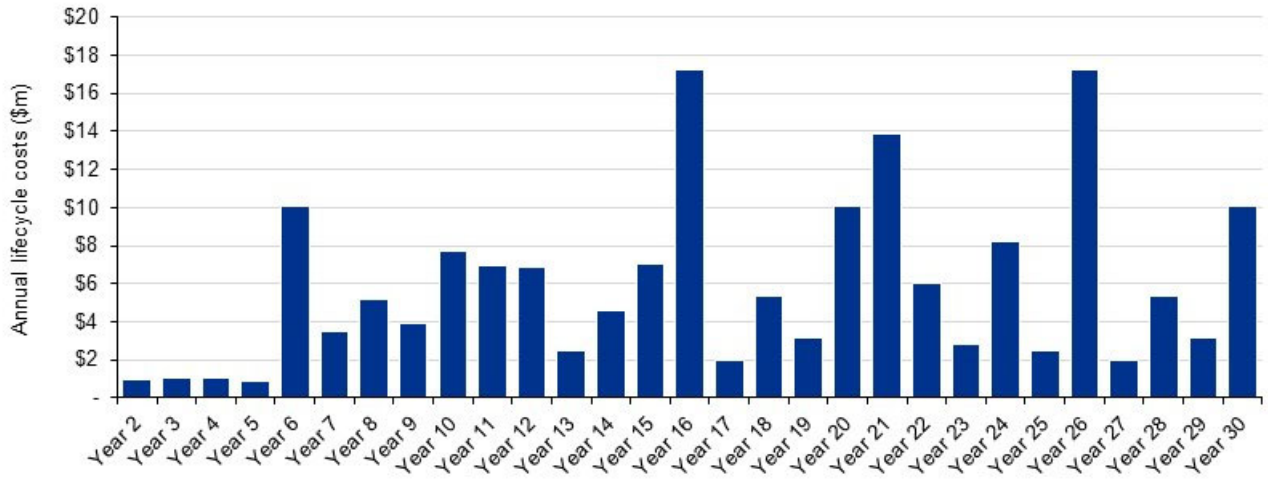
Table 7: Lifecycle cost estimates ($000s; $2024)

Description	Stadium Lifecycle Cost
Average annual lifecycle cost	$5,706

Source: Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024

Figure 3 below presents the lifecycle cost over 30 years, showing the variable nature of the replacement costs.

Figure 3: Lifecycle cost over 30 years ($m; $2024)



Source: Macquarie Point Multi Purpose Stadium Concept Design Estimate No.1, WT Partnership 10 July 2024

1.4 Operating result

Operating result development process

The operating result was developed concurrently to the design process for the Stadium continuing to evolve up to the time of writing (and post). This iterative development process resulted in a P&L being developed for the venue prior to the capital cost estimates being generated. With the project being at the concept design phase, the capital cost estimate is currently sitting at $775 million. This figure excludes a number of key revenue generating elements of the Stadium (identified as 'below the line' items) that had previously been assumed to be included within the capital cost estimate (with associated revenue streams included in the P&L). Of particular note from a revenue generating perspective, this included:

- Kitchen and F&B fitouts ($14.3m cost included 'below the line');
- Audio visual services including TVs / Brackets ($26.3m cost included 'below the line'); and
- LED Ribbon advertising to fences ($7.8m cost included 'below the line').

In this capital cost estimate, these items are assumed to be funded by third parties (i.e. a caterer will undertake the fitouts in return for a long term contract). There is little precedent (at the quantum of costs for allocated items), for such an approach being attractive to caterers within the Australian context, particularly given the expected activity levels of the new Stadium.[7] As such, the revenue streams associated with these items will be subject to a commercial structure that favours the third-party installer. It is unclear whether a supplier retaining such revenue streams would be sufficient to attract the necessary third party capital investment in the Stadium to meet the 'below the line' capital shortfalls.

Additionally, key items required for a Stadium to operate that are not necessarily revenue producing (e.g. CCTV, PA System) which have also been included 'below the line' (at a cost of $6.8m) are assumed to be funded by MPDC / State Government as a result of value management activities, enabling the Stadium to operate.

The Core Scenario in this analysis reflects the impact of these revenue generating elements being excluded from the current cost estimate. For the purposes of comparison, Alternative Scenario 2 explores the impact on the operational financials as a result of those revenue generating elements being delivered within the cost estimate as a result of value management activities.

Operating result

Table 7 presents the projected operating result for an average year of operations, expressed in 2024 dollar terms. This average year is a stable state of operations, noting variances will likely occur over the project evaluation period as a result of variations in the event calendar and utilises an average lifecycle cost to account for the fluctuations in capital replacement requirements. It should be noted that the aggregated cash flows depicted below are based on:

- The event calendars prepared as part of this project;
- Assumptions developed from a combination of benchmark information and stakeholder consultation; and
- A high-level estimation of design elements provided at the time of writing (noting that a formal statement of stadium areas and inventory was not available at the time of writing).

It is noted that these cash flows are not based on bespoke market sounding or pricing / valuation assessments of supplier and naming rights (which were not in scope),

[7] It is noted that the KPMG / DHW Ludus team has not been provided any detail regarding the proposed funding / outsourced model for catering and technology (including service provision) at the time of writing.

Table 8: Annual Operating Profit and Loss – Average Year ($000s; $2024)

Macquarie Point Multipurpose Stadium: Real Cash Flow		
	Operating result	**Description**
Revenue		
Venue hire fees	1,246	Fees paid by content owner to hire venue
Ticketing related revenue	834	Share of booking fee / inside charge attributable to venue
Membership and other revenue[8]	5,289	Stadium membership; Signage, naming and other supply rights attributable to the venue; Other revenue (functions, tours) attributable to the venue.
F&B revenue	-	F&B revenue attributable to the venue
Total revenue	7,370	
Expenses		
Event day costs not passed through	202	Event day costs incurred by the Stadium
Salaries and wages	2,550	Salaries and wages from Stadium operator staff
Turf maintenance	370	Turf maintenance costs (excl. salaries)
Administration / overhead costs	1,700	Other administration / overhead costs incl. utilities
Maintenance	4,690	Regular planned and unplanned maintenance
Total expenses	**9,512**	
EBITDA	**(2,142)**	
Lifecycle costs	5,706	Average lifecycle cost as described previously
Operating result	**(7,848)**	
Number of events	37	
Attendance	392,743	

Observations

- The operating result is projected to generate an approximate $2.14m loss at the earnings before interest, tax, depreciation, and amortisation (EBITDA) level.
- This is projected to deteriorate to an overall operating loss of $7.85m per annum when an average annual lifecycle cost allocation is accounted for.

While the majority of Australian venues do not generate a positive operating result following application of the substantial lifecycle costs associated with a venue of this type, it is noted that the operational performance of the venue is significantly impacted by the current 'below the line items' that have been excluded as part of the current capital cost value management exercise.[9] This has resulted in:

- F&B revenue: No share of revenue attributed to the Stadium as it is expected that any caterer would be seeking a return on capital investment that is greater than the Stadium could generate as a share of gross F&B revenue.
- Signage revenue: While the majority of on-field signage revenue accrues to the hirer as well as a share of IPTV and other internal signage, any signage that would be attributable to the venue has been assumed to be taken by the third party provider. Naming rights revenue is assumed to be retained by the Stadium.
- Supply rights: As a result of the potential commercial F&B deal associated with the caterer, supply rights associated with beer, wine, soft drinks etc. are not assumed to accrue to the venue, limiting this revenue stream. Ticketing rights revenue is assumed to be retained by the Stadium.
- Functions revenue: As per the above, the F&B revenue associated with the functions business is expected to accrue to the caterer. Further, the ability for the Stadium to charge for 'room hire' is adversely impacted as a result of the lack of audio-visual fit out, with a third party assumed to take a share of any room hire fees.

[8] A number of line items have been consolidated to protect commercially sensitive items.
[9] In developing these assumptions, a conservative position has been adopted – with final distribution of revenue to the venue to be the subject of commercial negotiations (i.e. with a caterer).

The estimated impact of these line items from a revenue foregone perspective is over $3m in an average year of operations. Alternative Scenario 2 within section 1.7 of this report shows the impact of bringing these items back within the core cost estimate, with a full comparative P&L provided in Appendix D.

Detail supporting the development of underpinning assumptions for the operating profit and loss is provided in Appendix A: Stadium modelling assumptions.

1.5 Affordability during construction and first three years of operations

This sub-section of the financial analysis presents the net impact of the project over the construction period, plus three years of operations as per the PoSS Guidelines.

Table 8 presents the impact of the various cash flows in nominal terms over the construction period and the first three years of operations.

This operating impact presented in this section differs from that presented previously in Table 7 due to two main factors. Firstly, the information is presented in nominal dollars rather than in real 2024 dollar terms, and secondly while the table above was based on an average year of operations, this table reflects the first three years of operations as per the model developed to support this analysis.

Note that this is presented in calendar years, with a conversion to financial years provided in Section 1.8 *Financial impacts analysis*.

Table 9: Operations and three-year impact ($000s, $ nominal)

Description	2024	2025	2026	2027	2028	2029	2030	2031	Total
Operating revenue	-	-	-	-	-	12,727	8,546	8,950	30,222
Operating expenditure	-	-	-	-	-	10,948	11,169	11,502	33,619
EBITDA	**-**	**-**	**-**	**-**	**-**	**1,779**	**(2,623)**	**(2,552)**	**(3,397)**
Lifecycle costs	-	-	-	-	-	-	(1,126)	(1,215)	(2,341)
Operating impact (incl. lifecycle)	**-**	**-**	**-**	**-**	**-**	**1,779**	**(3,749)**	**(3,768)**	**(5,738)**
Capital expenditure	(7,400)	(66,651)	(237,281)	(377,506)	(84,616)	(1,450)	-	-	(774,905)
Total impact	**(7,400)**	**(66,651)**	**(237,281)**	**(377,506)**	**(84,616)**	**329**	**(3,749)**	**(3,768)**	**(780,643)**
# event days[10]	**-**	**-**	**-**	**-**	**-**	**34**	**33**	**37**	104

Observations

- The results in the first year of operations (2029) benefit from the upfront receipt of joining fees from the sale of the Stadium membership product, along with annual subscriptions. In subsequent years, new sales (joining fees) normalise based on an assumed churn rate, with the annual subscriptions continuing.
- Lifecycle costs are typically low in the early years of operations, with no lifecycle costs assumed in year 1 due to warranties etc.
- From Year 2 of operations (2030) onwards, the Stadium is projected to generate a deficit at an EBITDA level.

1.6 Project investment analysis

The financial return to the project is explored in this section, using discounted cash flow analysis. The following general assumptions were adopted for this analysis:

- Financial revenues and costs presented in the financial appraisal represent the perspective of the venue owner (i.e. not the venue hirers or other parties).
- Cash flows are those related to the construction of the Stadium and expected to be incurred between May 2024 and December 2028 (there is some minor expenditure set to be incurred prior to July 2025).

[10] Fewer event days occur in Years 1 and 2 due the assumption that the Test Match is not hosted at the Stadium until Year 3.

- Cash flows have been assessed over the construction period to 30 December 2058 (construction period + 30 years of operations).
- The financial projection uses a measure of the 'time' value of money to consider the effect of the timing of different cash flows over the defined project term. The forecast nominal cash flows for this project have been discounted to 1 July 2024. As this is a Tasmanian Government led social infrastructure project, a discount rate was obtained from TASCORP. This value (based on a two-year average of a 10-year zero coupon bond) equates to a 4.87 percent nominal discount rate, and represents a proxy for the Tasmanian Government's cost of financing.
- A discounted residual value has been calculated based on an estimated economic life of approximately 50 years. This discounted residual value provides a benefit based on the book value of the asset utilising a straight-line depreciation method.

The financial return to the project is explored in this section, using discounted cash flow analysis. Table 9 presents the projected total financial deficit to the Tasmanian Government on an NPV basis over the evaluation period.

Table 10: Project Investment Analysis – ($m; $2024)

Project investment analysis	$m; NPV @ 4.87%
Revenue	95.95
Operating expenditure	(120.05)
Lifecycle costs	(62.51)
Capital expenditure	(668.98)
Net cash flow (NPV)	**(755.59)**
Discounted residual value	60.03
Net cash flow including discounted residual value (NPV)	**(695.56)**

Observations

- As a result of the large capital expenditure in the early years of operations, as well as the ongoing operational deficits, the Stadium is projected to return a negative NPV of $755.59m.
- The 'discounted residual value' of the asset at the end of 30 years of operations is projected to be $60.03m.
- When incorporating the discounted residual value, the overall NPV improves to negative $695.56m.

As described previously in Section 1.2 this result reflects that stadia are economic and social, not financial assets. While it is a negative result, it is not uncommon when it comes to stadia projects of this nature – and is why governments are typically required to fund such projects. Cost escalation in recent years has resulted in higher capital expenditures than had previously been the norm, and resultingly, this has a significant direct impact on the Stadium's NPV.

1.7 Financial sensitivity / scenario analysis

As part of the sensitivity / scenario analysis conducted on the project financials, the following areas have been investigated:

- **Event calendar**: An alternate "Optimistic" event calendar was developed to assess the impact on the project's financial outcomes (Alternative Scenario 1. The 'optimistic' event calendar is presented in Appendix B).
- **Inclusion of revenue generating elements**: This scenario utilises the current capital cost estimate ($775m) as per the Core Scenario, however assumes those revenue generating items listed in the Core Scenario are able to be incorporated within the cost estimate through ongoing MPDC value management exercises (Alternative Scenario 2).
- **Capital expenditure**: As the largest driver of cost for the project, the analysis tests the impact of delivering the project on budget (Alternative Scenario 3).
- **Delay to Stadium Completion**: An additional sensitivity analysis considering the impact of a delay on the project's financial outcomes was also undertaken. This was agreed (with MPDC) to consider a two-year delay to construction, with 12 months of planning delays at the start of the construction period, and 12 months of

additional construction timeline (a total two year delay). It is noted that this could also include potential payments to the AFL based on lost revenue (in addition to providing a suitable alternative venue) as per the Club Funding and Development Agreement,[11] however this has not been modelled in this exercise (Alternative Scenario 4).

Alternative Scenario 1: Optimistic event calendar

The 'Optimistic' scenario analysis considers the impact on the project's financial outcomes as a result of an expanded event calendar being delivered at the Stadium. The event calendar can be found in Appendix B. As this scenario is designed to test the potential 'upside' from an expanded event calendar,[12] generally expenditure has been held constant with the increase in resourcing requirements as a result of the expansion of the event calendar assumed to be absorbed within the existing assumed staffing structure, etc. The exception to this rule is turf maintenance costs, which increase proportionally in line with the event calendar.

Note, Appendix D presents a comparison of the P&L in an average year under Alternative Scenario 1 relative to the Core Scenario.

Table 10 presents the results of the scenario from a nominal cash flow perspective and shows the impact of an expanded event calendar.

Table 11: Alternative Scenario 1 analysis – Cash flow ($000s; $ nominal)

Description	2024	2025	2026	2027	2028	2029	2030	2031	Total
Operating revenue	-	-	-	-	-	14,677	10,583	10,833	36,093
Operating expenditure	-	-	-	-	-	11,405	11,690	11,983	35,078
EBITDA	**-**	**-**	**-**	**-**	**-**	**3,272**	**(1,108)**	**(1,149)**	**1,015**
Lifecycle costs	-	-	-	-	-	-	(1,126)	(1,215)	(2,341)
Operating impact (incl. lifecycle)	**-**	**-**	**-**	**-**	**-**	**3,272**	**(2,233)**	**(2,364)**	**(1,326)**
Capital expenditure	(7,400)	(66,651)	(237,281)	(377,506)	(84,616)	(1,450)	-	-	(774,905)
Total impact	**(7,400)**	**(66,651)**	**(237,281)**	**(377,506)**	**(84,616)**	**1,822**	**(2,233)**	**(2,364)**	**(776,231)**
# event days[13]	**-**	**-**	**-**	**-**	**-**	**46**	**47**	**48**	**141**

The expanded event calendar results in an improved EBITDA in the order of $1.4m-$1.5m per annum in operations, resulting in a lessened total impact on the State Government.

The impact on the NPV is presented in Table 11. The greater operational results delivered by the expanded event calendar result in an improved NPV in the order of $16.08m relative to the Core Scenario.

Table 12: Alternative Scenario 1 analysis – NPV ($m; $2024)

	Core scenario	Alternative Scenario 1
NPV incl. discounted residual value (4.87%)	(695.56)	(679.48)

Alternative Scenario 2: Core capital cost estimate, with value managed revenue generating assets included, utilising the core event calendar

This scenario utilises the current capital cost estimate ($775m) as per the Core Scenario, however assumes those revenue generating items listed in the Core Scenario are able to be incorporated within the cost estimate through ongoing MPDC value management exercises. This Scenario includes a more typical commercial structure with

[11] Club_Funding_and_Development_Agreement_-_Signed_3_May_2023.PDF (stategrowth.tas.gov.au)
[12] Note that the analysis only considers the impact to the Stadium's financials, rather than the whole-of-state financials that would likely fund event attraction / hosting fees to support the event calendar.
[13] Fewer event days occur in Years 1 and 2 due the assumption that the Test Match is not hosted at the Stadium until Year 3.

third parties, where the Stadium owns the inventory (i.e. kitchen and F&B fitout). Those revenue streams that benefit include:

- F&B revenue: The Stadium receives a share of gross catering revenue ($1.78m increase in 2029).
- Signage revenue: The Stadium receives a share of signage revenue as a result of LED signage and audio-visual fitout ($0.65m increase in 2029).
- Supply rights: The Stadium receives increased supply rights related to F&B ($0.26m increase in 2029).
- Functions revenue: The Stadium now receives a share of gross catering revenue and is able to retain the full room hire fee as a result of the inclusion of audio-visual fitout ($0.64m increase in 2029).

Note, Appendix D presents a comparison of the P&L in an average year relative to the Core Scenario.

Table 12 presents the results of this scenario analysis.

Table 13: Alternative Scenario 2 analysis – Cash flow ($000s; $ nominal)

Description	2024	2025	2026	2027	2028	2029	2030	2031	Total
Operating revenue	-	-	-	-	-	16,062	11,872	12,764	40,698
Operating expenditure	-	-	-	-	-	10,948	11,169	11,502	33,619
EBITDA	**-**	**-**	**-**	**-**	**-**	**5,114**	**703**	**1,262**	**7,079**
Lifecycle costs	-	-	-	-	-	-	(1,126)	(1,215)	(2,341)
Operating impact (incl. lifecycle)	**-**	**-**	**-**	**-**	**-**	**5,114**	**(423)**	**47**	**4,738**
Capital expenditure	(7,400)	(66,651)	(237,281)	(377,506)	(84,616)	(1,450)	-	-	(774,905)
Total impact	**(7,400)**	**(66,651)**	**(237,281)**	**(377,506)**	**(84,616)**	**3,664**	**(423)**	**47**	**(770,167)**
# events[14]	**-**	**-**	**-**	**-**	**-**	**34**	**33**	**37**	**104**

The incorporation of revenue generating line items improves the operations relative to the Core Scenario by approximately $3.3m-$3.8m per annum in the first three years of operations, with this operational result flowing down to an improved 'total impact' line.

The greater operational performance of the venue results in an improved NPV in the order of $39.76m relative to the Core Scenario.

Table 14: Alternative Scenario 2 analysis – NPV ($m; $2024)

	Core scenario	Alternative Scenario 2
NPV incl. discounted residual value (4.87%)	(695.56)	(655.80)

Alternative Scenario 3: $715m with value managed revenue generating assets included, with the core event calendar

This scenario is based on the current MPDC budget for the Stadium of $715m. It assumes that significant value management efficiencies are able to be achieved, with revenue generating items excluded from the Core Scenario incorporated within the cost estimate.

In this Scenario, the operating performance of the Stadium is generally aligned to Alternative Scenario 2, with savings being generated in maintenance, lifecycle costs, and capital expenditure.

Table 13 presents the results of the scenario from a nominal cash flow perspective and shows the impact of delivering the project within the stated budget.

[14] Fewer event days occur in Years 1 and 2 due the assumption that the Test Match is not hosted at the Stadium until Year 3.

Table 15: Alternative Scenario 3 analysis – Cash flow ($000s; $ nominal)

Description	2024	2025	2026	2027	2028	2029	2030	2031	Total
Operating revenue	-	-	-	-	-	16,062	11,872	12,764	40,698
Operating expenditure	-	-	-	-	-	10,532	10,744	11,066	32,342
EBITDA	**-**	**-**	**-**	**-**	**-**	**5,529**	**1,129**	**1,698**	**8,356**
Lifecycle costs	-	-	-	-	-	-	(1,039)	(1,121)	(2,160)
Operating impact (incl. lifecycle)	**-**	**-**	**-**	**-**	**-**	**5,529**	**90**	**577**	**6,196**
Capital expenditure	(7,400)	(66,503)	(220,491)	(341,737)	(77,418)	(1,450)	-	-	(715,000)
Total impact	**(7,400)**	**(66,503)**	**(220,491)**	**(341,737)**	**(77,418)**	**4,079**	**90**	**577**	**(708,804)**
# events days[15]	**-**	**-**	**-**	**-**	**-**	**34**	**33**	**37**	**104**

Relative to the Core Scenario, there is a 'total impact' cumulative improvement of $71.84m. This is a result of the reduced maintenance, lifecycle costs and capital expenditure, as well as the incorporation of revenue generating streams. Relative to Alternative Scenario 2, there is a cumulative improvement of $61.36m. This is a result of the reduced maintenance, lifecycle costs and capital expenditure.

The impact on the NPV is presented in Table 15. The reduced upfront capital expenditure in particular has a results in a significant improvement to the NPV of the project. There is a reduction in the discounted residual value as a result of the lower capital expenditure. Alternative Scenario 3's NPV improves by $95.56m relative to the Core Scenario, and $55.80m relative to Alternative Scenario 2.

Table 16: Alternative Scenario 3 analysis – NPV ($m; $2024)

	Core Scenario	Alternative Scenario 2	Alternative Scenario 3
NPV incl. discounted residual value (4.87%)	(695.56)	(655.80)	(600.00)

Alternative Scenario 4: Delay to Stadium completion

Alternative Scenario 4 considers the impact of a delay on the project's financial outcome, in line with the PoSS requirements. This was agreed (with MPDC) to consider a two-year delay to construction, with 12 months of planning delays at the start of the construction period, and 12 months of additional construction timeline (a total two year delay).

An updated capital cost cashflow was provided by WT Partnership, which was utilised in this Scenario. The updated cash flow totals $857.21m (an increase of $82.30m relative to the core capital cost estimate). A key driver of this increase is the impact of cost escalation, which contributes $126.00m to the overall cost estimate (an increase of $67.00m relative to the core capital estimate). The remaining differences are explained by increased consultant fees and MPDC resourcing due to the longer planning and development timeframes.

In this scenario, due to the delay, Stadium operations are expected to commence in January 2031. Table 16 presents the results of the scenario from a nominal cash flow perspective.

Table 17: Alternative Scenario 4 analysis – Cash flow ($000s; $ nominal)

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Operating revenue	-	-	-	-	-	-	-	13,371	8,979	9,403	31,754
Operating expenditure	-	-	-	-	-	-	-	12,102	12,350	12,715	37,167
EBITDA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,270**	**(3,371)**	**(3,312)**	**(5,413)**

[15] Fewer event days occur in Years 1 and 2 due the assumption that the Test Match is not hosted at the Stadium until Year 3.

Lifecycle costs	-	-	-	-	-	-	-	-	(1,183)	(1,277)	(2,460)
Operating impact (incl. lifecycle)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,270**	**(4,554)**	**(4,588)**	**(7,872)**
Capital expenditure	(12,200)	(26,700)	(77,148)	(161,265)	(340,248)	(189,620)	(48,492)	(1,532)	-	-	(857,205)
Total impact	**(12,200)**	**(26,700)**	**(77,148)**	**(161,265)**	**(340,248)**	**(189,620)**	**(48,492)**	**(262)**	**(4,554)**	**(4,588)**	**(865,077)**
# event days[16]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**34**	**33**	**37**	**104**

In addition to the above, the Club Funding and Development Agreement indicates that the Tasmanian Government may be required to pay the Club an additional $4.5 million per annum should the Stadium not be available for the Club's use.[17] There are also clauses related to potential compensation if Stadiums Tasmania is unable to or unwilling to provide the AFL and the Club with Equivalent Stadium Access Terms – and this would be determined based on actual versus expected match revenue.[18] Any such costs would be likely be borne by the Tasmanian Government and have therefore been excluded from the table above.

It is noted that the outputs provided above do not consider reputation impacts driven by the uncertainty regarding the opening of the Stadium. This uncertainty could impact the Stadium's ability to deliver its expected event calendar in the early years of operations as content owners commit content to other venues.

The impact on the NPV is presented in Table 17. Due to the effect of discounting, the delays in the capital expenditure offer a beneficial offset to the overall increase in capital costs, however the NPV deteriorates in Alternative Scenario 4 by approximately $27.58m.

Table 18: Alternative Scenario 4 analysis – NPV ($m; $2024)

	Core Scenario	Alternative Scenario 4
NPV incl. discounted residual value (4.87%)	(695.56)	(723.14)

[16] Fewer event days occur in Years 1 and 2 due the assumption that the Test Match is not hosted at the Stadium until Year 3.
[17] Part A – S9,10 Club_Funding_and_Development_Agreement_-_Signed_3_May_2023.PDF (stategrowth.tas.gov.au)
[18] Part A – S5.9 Club_Funding_and_Development_Agreement_-_Signed_3_May_2023.PDF (stategrowth.tas.gov.au)

1.8 Financial impacts analysis

This section of the report focuses on the broader financial implications of the Stadium's construction and operations on the State of Tasmania. In particular, it explores the following:

- Funding source breakdown;
- Impact on the State's fiscal aggregates (General Government Sector); and
- Impact of Commonwealth contribution on Horizontal Fiscal Equalisation.

Funding sources and assumptions

Commitments have been made by various parties to support the funding of the Stadium. The stated budget for the Stadium is $715m, with contributions being made by the State Government ($375m), Federal Government ($240m) and the AFL ($15m), while $85m remains unfunded.

Given the current capital cost estimates developed by WT Partnership ($775m), this unfunded gap increases by $60m to $145m. This section of the report considers two funding scenarios, including:

1. Based on the core capital cost estimate, the unfunded balance is funded by other parties (other than the State Government)
2. The project is delivered within the stated budget, with the unfunded balance funded by other parties.

These funding scenarios are presented below in Table 18. This breakdown is the basis for the remainder of the section.

Table 19: Funding source breakdown

Funding	Funding Scenario 1: Core capital cost estimate ($775m) with balance funded by other parties	Funding Scenario 2: Stated budget ($715m)
Capital expenditure	**$775m**	**$715m**
State Government	$375m	$375m
Federal Government	$240m	$240m
AFL	$15m	$15m
Unfunded	$145m	$85m

In both of these scenarios, the operational performance assumes a similar approach to the Core Scenario utilised in the previous analysis, with revenue generating elements treated as 'below the line' with resulting impact on the Stadium's returns.

There are a number of key assumptions that underpin the findings throughout the remainder of this section.

Ownership of Stadium and related fund flows

- MPDC (a Public Non-Financial Corporation (PNFC))[19] is the delivery entity responsible for construction.
- The capital funding during construction will be provided from the General Government Sector (GGS) to MPDC, and this is expected to be treated as an equity injection.
- The ownership of the Stadium will transfer from MPDC to Stadiums Tasmania upon completion. Stadiums Tasmania is also a PNFC.
- As both MPDC and Stadiums Tasmania will be operating as a PNFC, there is no impact to the GGS resulting from the transfer of the Stadium from MPDC to Stadiums Tasmania on completion.

The State's contribution to capital development

- It has been assumed that the State's contribution to capital costs is funded through additional GGS borrowings and the capital amount provided to MPDC as an equity injection.
- The timing of State Government funding is as per MPDC advice.

[19] This analysis does not include an assessment of entity (MPDC or Stadiums Tasmania) classification as a PNFC nor has it assessed whether the transaction will impact the PNFC classification of these entity.

- The Commonwealth Government and AFL contributions will be payments to the State (GGS) that are then transferred to MPDC.

Capital development funding shortfall

Table 18 outlined that there is a current capital cost funding shortfall in both funding scenarios for the Stadium's construction. The source of this funding is currently unknown, however it is currently assumed that the asset owning entity will borrow to make up any shortfall.[20] It is noted that the impact on the State would be lessened should alternative funding sources be reached.

Alternative funding approaches for capital development – Debt in the PNFC

Discussions were held with Department of Treasury and Finance on the options for funding the State's contribution to the capital development. One alternative option discussed was for the delivery entity, MPDC (and ultimately Stadiums Tasmania), to take on the debt directly.

The capacity for the PNFCs to borrow will be dependent on the operating cash flows of Stadiums Tasmania. If this option is preferred, MPDC would take on the debt, before transferring it to Stadiums Tasmania along with the asset upon completion.

This approach will reduce the impact of the project on the GGS net debt metric as the debt will be held within the PNFC. However, additional grant expenses will likely be required from the GGS to fund the interest expense of the borrowings.

Impact on State's fiscal aggregates (General Government Sector and Total State Sector) & impact relative to a 'do nothing'

Table 19 and Table 20 sets out the impact of the project on the State's key fiscal aggregates (including net operating balance and net debt). The project is also expected to worsen the net operating balance (with some improvements in years whereby grant funding is received from other funding sources) in the operational phase due to the additional grant expenditure required by the GGS into the PNFC sector to fund the ongoing cash deficits associated with the Stadium specifically (excluding additional appropriations required for general Stadiums Tasmania funding). The net operating balance is also impacted by interest expense on borrowings and event attraction funding. The project is expected to increase net debt, due to an increase in borrowings required to fund the State's contribution to the capital expenditure as well as additional funding to fund cash deficits during operations.

On a Total State Sector (TSS) basis (i.e. where the PNFC sector is consolidated), the impact on net debt remains similar however is impacted by the profit / loss within the PNFC, however the impact on net operating balance is larger as the consolidation of the PNFC results in the recognition of the depreciation relating to the Stadium infrastructure.

This is presented in more detail for Funding Scenario 1 in Table 20 and Funding Scenario 2 in Table 21.

Assumptions supporting development of impact on fiscal aggregates

- State funding is assumed to be sourced from external borrowings at the TSS.
- GGS entities are to enter into borrowings from the market on the same basis as the TASCORP Bond Programme.[21] TASCORP is assumed to be net neutral.
- Depreciation has been calculated on a straight line basis assuming a 50-year useful life.
- Funding related to ongoing operations of the Stadium (i.e. the funding of deficits) is assumed to be a grant expense from the GGS.
- The PNFC has been assumed to meet the funding shortfall. The GGS will incur a further grant expense to support the PNFC in making interest payments.
- Lifecycle costs are assumed to be capitalised. Funding for lifecycle costs is assumed to be provided via an equity injection.
- Event attraction funding will be required to attract events. This is assumed to be administered by Events Tasmania through the Department of State Growth (DSG).

[20] Department of Treasury and Finance
[21] TASCORP rate sourced from https://tascorp.com.au/financial-markets (8 August 2024)

Table 20: Funding Scenario 1 – Impact of project on General Government Sector & Total State Sector Fiscal aggregates (nominal)

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Capital expenditure	900	20,600	141,369	373,179	213,758	24,600	500	-
Capital funding committed (other sources) [22]	-	-	80,000	100,000	75,000	-	-	-
Capital funding unfunded (other sources)[23]	-	-	-	85,000	59,905	-	-	-
General State Government funds required	15,000	15,000	60,000	125,000	140,000	20,000	-	-
Impact on the PNFC								
Operating expenditure	-	-	-	-	-	(5,474)	(11,059)	(11,336)
Operating revenue	-	-	-	-	-	8,364	8,636	8,748
Net profit in PNFC	-	-	-	-	-	2,890	(2,422)	(2,588)
Cash in PNFC	-	-	-	-	-	2,890	468	(2,120)
Equity injection for lifecycle costs	-	-	-	-	-	-	563	1,170
Impact on General Government Sector								
Impact on net operating balance [2425]	(713)	(1,346)	77,094	92,270	57,565	(19,252)	(20,105)	(23,558)
Impact on net debt	15,713	16,346	62,906	132,730	157,435	37,752	18,868	17,487
Cumulative impact on debt	15,713	32,059	94,965	227,695	385,131	422,883	441,751	459,238
Impact on Total State Sector								
Impact on net operating balance[26]	(713)	(1,346)	77,094	94,182	62,366	(19,132)	(32,859)	(36,283)
Impact on net debt	15,713	16,346	62,906	217,730	217,340	36,363	23,090	23,075
Cumulative impact on debt	15,713	32,059	94,965	312,695	530,036	566,398	589,488	612,564

[22] Based on expected timing of cash flows based of Commonwealth Government and AFL Club Funding and Development Agreements.
[23] For the purposes of this analysis, assumed to be funded by borrowings in the PNFC.
[24] GGS assumed to not fund or reduce funding to PNFC for operational expenditure in some years due to surplus in prior year(s)
[25] Incorporates interest expense and event attraction funding
[26] Incorporates depreciation

Table 21: Funding Scenario 2 – Impact of project on General Government Sector & Total State Sector Fiscal aggregates (nominal)

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Capital expenditure	900	20,600	136,942	339,791	193,336	22,932	500	-
Capital funding committed (other sources) [27]	-	-	80,000	100,000	75,000	-	-	-
Capital funding unfunded (other sources)	-	-	-	85,000	-	-	-	-
General State Government funds required	15,000	15,000	60,000	125,000	140,000	20,000	-	-
Impact on the PNFC								
Operating expenditure	-	-	-	-	-	(5,266)	(10,638)	(10,905)
Operating revenue	-	-	-	-	-	8,364	8,636	8,748
Net profit in PNFC	-	-	-	-	-	3,097	(2,002)	(2,157)
Cash in PNFC	-	-	-	-	-	3,097	1,096	(1,061)
Equity injection for lifecycle costs	-	-	-	-	-	-	519	1,080
Impact on General Government Sector								
Impact on net operating balance [2829]	(713)	(1,346)	77,094	92,270	60,410	(15,522)	(16,083)	(17,728)
Impact on net debt	15,713	16,346	62,906	132,730	154,590	35,522	16,602	16,685
Cumulative impact on debt	15,713	32,059	94,965	227,695	382,285	417,807	434,409	451,095
Impact on Total State Sector								
Impact on net operating balance[30]	(713)	(1,346)	77,094	92,270	60,410	(19,574)	(32,384)	(34,185)
Impact on net debt	15,713	16,346	62,906	217,730	154,590	32,424	18,604	18,842
Cumulative impact on debt	15,713	32,059	94,965	312,695	467,285	499,709	518,313	537,156

[27] Based on expected timing of cash flows based of Commonwealth Government and AFL Club Funding and Development Agreements.
[28] GGS assumed to not fund or reduce funding to PNFC for operational expenditure in some years due to surplus in prior year(s)
[29] Incorporates interest expense and event attraction funding
[30] Incorporates depreciation

Impact on State credit rating

Credit ratings, while focused on a financial assessment, include an assessment of a range of other factors such as environmental, social and governance matters. Importantly, credit ratings also reflect a focus beyond the GGS to include the impact of government businesses and other non-GGS entities.[31] Tasmania's current rating is AA2 (Stable) (Moody's) and AA+ (Stable) (S&P), with Moody's indicating that the State's debt burden is moderate compared to its peers.[32]

While there will be additional incremental debt as a result of the Stadium, it is challenging to assess the potential impact of the proposed Stadium project on the State's credit rating (and flow on into the cost of financing) given that rating agencies consider a variety of broader economic drivers and apply a number of complex variables in order to determine ratings which are beyond the scope of this analysis however have recently been explored as part of an Independent Review of Tasmania's State Finances by Saul Eslake, Corinna Economic Advisory, released on 19 August 2024 .

Impact of Commonwealth contribution on Horizontal Fiscal Equalisation

Horizontal Fiscal Equalisation (HFE) refers both to a mechanism and to an objective. The mechanism is the process through which revenues collected by the Commonwealth Government from Goods and Services Tax (GST) are distributed to the States.

Ultimately, the Commonwealth's contribution to the development cost may have an impact on HFE payments in the future. This is highly complex and uncertain and will depend on relative spend / position of other States as well as what the contribution is used for. Furthermore, the calculation is determined retrospectively (not prospectively), and the Commonwealth Grants Commission (CGC) is currently undertaking its regular five-yearly review of the methodology it uses to distribute GST to the states and territories. There is a risk that changes to the CGC's methodology from 2025 may result in reductions in Tasmania's relativity, noting that on 6 December 2023, National Cabinet extended the 'no-worse-off guarantee' until 2029-30.

Furthermore, the Tasmanian GST distribution is also affected by the State's share of the national population, and if the forecasts continue to show a weakening, this will have a negative impact on Tasmania's GST revenue.

There may be some impacts depending on how the Commonwealth Government's contributions are expected to be applied (Stadium versus the broader precinct). Additionally, the use of funds and whether they will be quarantined will likely have an influence on HFE payments (e.g. its application to transport / other urban development could affect the HFE). There is high complexity and uncertainty in considering impacts, given it requires understanding of what the contribution is spent on and what other States / Territories will do in the timeframe.

For the purpose of this analysis, it is impractical to model the impact on the HFE, due to the complexities and interdependencies listed above.

[31] 2023-24 BP1-3 Fiscal Strategy, Department of Treasury and Finance
[32] Premiers release, 14 August 2023 – *Moody's confirms Tasmania's sound economic management*

Appendix A: Stadium modelling assumptions

The table below presents the modelling approach undertaken in developing the operational P&L for the Stadium. This includes is aligned to Alternative Scenario 2, wherein all assumed revenue generating components are included within the P&L. The table below notes the impacts to the Core Scenario, where revenue generating components are not included within the capital cost estimate.

Table 22: Stadium modelling assumptions

Category	Assumption	Source(s)	Corresponding line item
Revenue streams			
Venue Hire Fees	As previously discussed, there are many ways in which a hiring agreement can be negotiated. For this analysis, a 'simple' hiring agreement has been assumed, with venue hire fees representing the external revenue accruing to the venue, with no ticketing share assumed. The venue hire fees account for shared ticket revenue and the size of stadium membership as a percentage of overall capacity. The venue hire fees vary between event.	• Draft Ground Occupancy Agreement between Tasmanian Government and the AFL • Industry benchmarks	Venue hire fees
Ticketing Revenue Share – General Admission (GA)	Ticketing revenue (i.e. face value of tickets) is assumed to remain with the hirer and does not flow through the Stadium's P&L.	• NA	NA
Ticketing Revenue – Corporate	Based on the mix of corporate product, two blended price points have been developed. The higher price point represents premium corporate product including inventory items such as suites and the President's function space, while the lower price point represents a more casual corporate product, inclusive of open corporate reserves and party decks. The price points also vary based on the type of event. The venue is assumed to retain 7% of corporate inventory, with the remainder accruing to the hirer. Due to the uncertainty regarding the final designs and inventory mix, corporate product (such as suites) has not been modelled to be sold on an annual basis, but rather on a per person casual basis (and the ticket prices account for this).	• Corporate breakdown as provided by MPDC (7/6/2024) • Price points – Industry benchmarks	Ticketing revenue
Ticketing – Inside Charge / Booking Fees	A share of inside charge / booking fees has been assumed to generate revenue for the Stadium. This applies only to GA tickets sold, with the proportion of GA tickets that the inside charge / booking fee is attributable to varying based on event type. For regular season content (AFL, AFLW, BBL and WBBL), a lower proportion of GA tickets sold will be attributable to the venue based on the extent of members from Stadium based clubs attending.	• Draft Ground Occupancy Agreement between Tasmanian Government and the AFL • Price points – Industry benchmarks	

Category	Assumption	Source(s)	Corresponding line item
	For the majority of event types, it is assumed that this inside charge / booking fee on GA tickets sold will accrue to the venue.		
Stadium Membership Model	Based on conversations with Stadiums Tasmania, the membership model has been assumed to be an egalitarian model (similar to that of the Gabba in Brisbane). As such, there is expected to be a greater number of members than seats available (approximately 2.3 x the members reserve space). Furthermore, there is expected to be a waiting list for joining with a nominal annual fee, along with an assumed churn rate as members do not renew. Stadium Membership has been assumed to entitle the holder to the following events: • All AFL and AFLW Content; • All domestic cricket content (BBL / WBBL); and • International Cricket (Men's and Women's). Membership servicing costs are assumed to be covered within the proposed venue management overhead.	• Stadiums Tasmania • Industry Benchmarks	Membership and other revenue
Stadium Membership – Joining Fee	To join the Stadium Membership, a once-off joining fee will be required to be paid.	• Stadiums Tasmania • Industry benchmarks	
Stadium Membership – Ongoing Subscription	Following acceptance into the Stadium Membership, an ongoing annual subscription will be required to maintain an individual's membership.	• Stadiums Tasmania • Industry benchmarks	
Stadium Membership – Waiting List Fees	As the Stadium Membership product is expected to be oversubscribed, a nominal average waiting list fee will be charged to provide a mechanism for curating the waiting list.	• Industry benchmarks	
Stadium Membership – Payment of Members attendance to gate receipts	This represents the per person ticket fee the venue will pay into the gate when a member attends an event that forms part of the Stadium Membership to compensate the hirer for the cost of the member attending the event.	• Stadiums Tasmania • Industry benchmarks	
Food & Beverage (F&B) – Revenue to Stadium	For the purposes of this analysis, it has been assumed that the Stadium adopts an outsourced catering arrangement. An average Spend Per Head (SPH) has been applied to the various Stadium attendees, including GA, Stadium Members, and Corporate, and varies between event types. The Stadium is assumed to retain a share of the gross F&B revenue. The hirer is also assumed to receive a small share of gross F&B revenue. *Note, under the Core Scenario, no revenue is retained by the Stadium.*	• Draft Ground Occupancy Agreement between Tasmanian Government and the AFL • Price points – Industry benchmarks	F&B revenue
Signage	The majority of signage inventory has been assumed to be retained by the hirer.	• Industry benchmarks	

Category	Assumption	Source(s)	Corresponding line item
	A small allocation of inventory within the Stadium has been assumed to be retained by the venue, along with Internet Protocol Television (IPTV). Signage revenue varies based on the commerciality of events, with only IPTV revenue applicable to concerts / entertainment events. The extent of signage available within the Stadium is still to be determined. *Note, under the Core Scenario, no revenue is retained by the Stadium.*		Membership and other revenue
Naming rights	Naming rights are assumed to be retained by the Stadium and the value of these rights is driven by the commercial content events schedule. Note that a formal valuation of naming rights (including market sounding) was not in scope for this project.	• Industry benchmarks	
Supplier rights	Supplier rights, including ticketing, pourage and other consumables scale on a per person rate based on the total number of attendees. Note that a formal valuation of supplier rights (including market sounding) was not in scope for this project. *Note, under the Core Scenario, no revenue relating to pourage or other related consumables is retained by the Stadium. Ticketing supplier rights are retained.*	• Industry benchmarks	
Other revenue – venue experience	The final Stadium design is expected to offer 'experience' products, such as a Stadium roof walk or Stadium Tour. A benchmark penetration rate of total visitors to the Stadium has been utilised to determine the number of potential patrons, with the operation of the product assumed to be outsourced. The Stadium would receive a share of the yield from the experience sales.	• Stadiums Tasmania • Industry benchmarks	Membership and other revenue
Other revenue – functions revenue	The design of the Stadium features significant function opportunities (approximately 1,500 person capacity divisible into three operable rooms). The number of functions and average attendance has been informed by stakeholder consultation. Catering is expected to be delivered by the outsourced F&B provider, with a share of gross revenue to be returned to the Stadium. Additionally, a net return per person has been assumed to represent hire fees and other revenue sources (audio-visual hire etc.). *Note, under the Core Scenario, no F&B revenue is retained by the Stadium. Additionally, due to audio-visual not being included, the room hire fee has been halved (with the balance accruing to a third party supplier).*	• Business Events Tasmania • Industry Benchmarks	
Other revenue not included	Other revenue items, including merchandise, parking and hospitality tenancies, have not been included.	NA	NA
Expenditure			

Category	Assumption	Source(s)	Corresponding line item
Event Day Costs	Event day costs (such as ushers, emergency services, security, cleaning, etc.) have been assumed to be 100% passed through to the hirer for the majority of event types. The exception to this is for concerts (both Full Stadium and Arena mode), and ad hoc sport / entertainment events, whereby 80% of event day costs have been assumed to be passed through to the hirer, with 20% remaining with the Stadium. This is to reflect consultation outcomes with major promoters, ensuring the venue is positioned to attract events and to partially offset some of the additional costs associated with staging events in Tasmania.	• Industry Benchmarks	Event Day Costs not passed through
Salaries and Wages	A staffing structure for the venue has not yet been established by Stadiums Tasmania and, as such, a proposed 'in house' staffing structure has been developed (for modelling purposes only) to service the Stadium operations. This includes an allocation of Stadiums Tasmania management overhead based on the expected Stadiums Tasmania portfolio. The Stadium is assumed to have 22.6 Full-Time Equivalent (FTE) staff, with an average salary (inclusive of superannuation and on-costs) of $112,500. The functions within the proposed staffing structure include: • Stadiums Tasmania executive overhead; • Venue Operations; • Corporate services (inclusive of finance, governance and people / culture); • Marketing and Commercial (inclusive of membership, marketing and communications); • Facilities Management; and • Turf maintenance.	• Industry Benchmarks	Salaries and Wages
Turf maintenance costs	The turf maintenance costs assumes: • Approximately 500m2 of turf replacement costs are incurred on an annual basis; • Installation and removal of drop in wickets; • Consumables • Water; and • Turf grow lights electricity. No costs relating to turf farms has been included within this cost item (with the exception of transportation costs). Turf maintenance costs exclude any significant turf replacement (beyond 500m^2) resulting from concerts or entertainment events as it is assumed this is passed onto the hirer.	• Industry Benchmarks	Turf maintenance

Category	Assumption	Source(s)	Corresponding line item
Admin / overheads	A general administration / overhead cost figure has been developed based on benchmark venues, and covers the following line items (not exhaustive): • Utilities; • Insurance; • Information Technology (assumed to be outsourced); • Marketing; • Legal; • Accounting; and • Uniforms.	• Industry Benchmarks	Admin / overheads
Maintenance costs	The annual maintenance cost of a Stadium is significant, and an assumption has been developed based on benchmarks from interstate venues.	• Industry Benchmarks	Maintenance
Lifecycle costs	Previously described.	• WT Partnership	Lifecycle costs

Appendix B: Optimistic event calendar

Table 23 presents the 'optimistic' event calendar developed by DHW Ludus which is explored as part of the sensitivity / scenario analysis.

The basis for the optimistic event calendar is the conversations with key stakeholders (particular event owners). In essence, the optimistic event schedule differs from the Base Case in that includes additional events that could be available to the Stadium, but are either:

- Less likely to be staged in Hobart because of competition from other jurisdictions; or
- The staging of the events in Hobart doesn't necessarily align with the event owner's strategic interests (i.e. Tasmania may not be a strategic growth market).

The Optimistic Event Calendar also includes having more of a specific event (such as concerts) to present a less conservative estimate of event numbers.

In addition to the event calendar, the optimistic scenario includes 156 functions / business events, compared to 104 in the Core Scenario.

Table 24 presents a side by side comparison of the core and optimistic event calendars, and also provides indicates which events will require event attraction funding.

Table 23: Optimistic event calendar

Event category	Event	Annual event days	Average event day attendance	Commentary
AFL	AFL (TFC)	7	20,825	As per core event calendar
	AFL (TFC) Finals	1 in every 4 years	23,275	Included in optimistic event calendar to reflect the uncertainty of reaching finals and the fixture being hosted at home.
	AFLW (TFC)	3	4,900	As per core event calendar
	Other AFL (Marquee Game)	1	20,825	Attendances for AFL matches across a selection of major stadiums around Australia (outside of Victoria) in 2023, as a percentage of venue capacity, typically ranged between 44% to 75%. The adoption of a high attendance percentage at the venue considers a 'block buster game' with two alternative AFL Clubs. The attendance estimate of 85% (as a percentage of capacity) also reflects 'no shows' and unsold tickets which is a standard occurrence for all events and provides an element of conservatism.
	AFL pre-season	1	6,125	As per core event calendar
	AFLW pre-season	1	2,450	As per core event calendar
Cricket	Test Match	4 (1 event)	14,088	As per core event calendar
	Men's ODI / T20	1	15,313	As per core event calendar
	Big Bash League (BBL)	4	10,413	As per core event calendar
	Women's ODI / T20	1	4,900	As per core event calendar
	Women's Big Bash League (WBBL)	4	2,450	As per core event calendar
Football	Socceroos (Tier 2 friendly)	1 in every 2 years	20,050	Increased regularity should the facility become a favoured destination.
	Matildas (Tier 2 friendly)	1 in every 2 years	20,050	Increased regularity should the facility become a favoured destination.
	ALM / ALW Double Header	1	8,575	Assumes only 1 game per annum in 'Optimistic Case' as implications and funding challenges potentially impacting further A-League expansion (to include a Tasmanian team) and further commitment by Western United FC impacted by the establishment of new home including a new match day venue. Potential for teams including Melbourne Victory FC and Melbourne City FC to play games (as a double header - men's and women's). Typically for A-League matches across a selection of major stadiums around Australia, attendance as a percentage of venue capacity averages approximately 30%. The adoption of a high attendance percentage (35%) considers the venue being of a smaller capacity, being roofed and the event being a 'one off'.
	Youth International	1	2,450	As per core event calendar

Event category	Event	Annual event days	Average event day attendance	Commentary
	Marquee Friendly (i.e., Tier 2 International vs. Victory)	1 in every 4 years	18,375	Generally played at larger capacity venues or as part of a broader State attraction strategy. Included in optimistic event calendar.
Rugby Union	Wallabies (Tier 2)	1 in every 4 years	18,375	Unlikely to attract Tier 1 content. Rugby Australia uses a competitive process for event placement. Securing a Tier 2 event every 4 years is considered possible.
	Wallaroos	1 in every 3 years	4,900	Rugby Australia uses a competitive process for event placement. Securing an event every 3 years is considered possible.
	Super Rugby	1	8,575	Rugby Australia advice is that current commercial arrangements for NSW Waratahs and Melbourne Rebels (noting the Melbourne Rebels have ceased operating) limit the capacity to move games, however there is possibly greater flexibility in the future.
Rugby League	State of Origin – Women's	1 in every 5 years	13,475	National Rugby League uses a competitive process for event placement. Included in 'Optimistic Case' with the potential to secure an event every 5 years.
	NRL Mens Club Match	1	17,763	As per core event calendar
Entertainment	Concerts (Full Stadium)	2	30,000	Expanded from core event calendar
	Concerts (Arena Mode)	4	10,000	Expanded from core event calendar
	Adhoc sport / entertainment	1	12,000	As per core event calendar
	Festivals	1	10,000	Considered Optimistic given the existing size of infrastructure used for such festivals in Tasmania, and pressure on existing festivals.
Community and local events	Local Football Grand Final	1	4,900	As per core event calendar
	VFL Tasmania Devils	1	1,225	As per core event calendar
	VFL Tasmania Devils / VFLW Tasmania Devils (Double Header)	2	2,450	As per core event calendar
	Coates Talent League (Double Header)	1	613	As per core event calendar
	Existing Mass Participation Events	1	1,500	As per core event calendar
	Existing Local Events	1	1,500	As per core event calendar
Total		**48-51**	**513,943 – 569,068**	

Table 24: Event calendar comparison (Core vs Optimistic)

Event category	Event	Core event calendar		Optimistic calendar		Event attraction funding / support required	Event attraction funding / support comments
		Annual event days	Average event day attendance	Annual event days	Average event day attendance		
AFL	AFL (TFC)	7	20,825	7	20,825	-	-
	AFL (TFC) Finals	-	-	1 in every 4 years	23,275	-	-
	AFLW (TFC)	3	4,900	3	4,900	-	-
	Other AFL (Marquee Game)	-	-	1	20,825	✓	Assumed to be a relocated 'home game' for non Tasmanian team. Event attraction funding required to secure event
	AFL pre-season	1	6,125	1	6,125	-	-
	AFLW pre-season	1	2,450	1	2,450	-	-
Cricket	Test Match	4 (1 event)	14,088	4 (1 event)	14,088	✓	Event attraction funding required to secure event in competitive market.
	Men's ODI / T20	1	15,313	1	15,313	✓	Event attraction funding required to secure event in competitive market.
	Big Bash League (BBL)	4	10,413	4	10,413	-	-
	Women's ODI / T20	1	4,900	1	4,900	-	-
	Women's Big Bash League (WBBL)	4	2,450	4	2,450	-	-
Football	Socceroos (Tier 2 friendly)	1 in every 4 years	20,050	1 in every 2 years	20,050	✓	Lower procurement costs (compared to Tier 1 events) to secure event. Event attraction funding required to secure event
	Matildas (Tier 2 friendly)	1 in every 4 years	20,050	1 in every 2 years	20,050	✓	
	ALM / ALW Double Header	-	-	1	8,575	✓	Assumed to be a relocated 'home game'. Event attraction funding required to secure event
	Youth International	1	2,450	1	2,450	-	Advice from Football Australia is that these games are better suited to smaller rectangular pitch venue.
	Marquee Friendly (i.e., Tier 2 International vs. Victory)	-	-	1 in every 4 years	18,375	✓	High procurement costs and would require event attraction funding to secure event
Rugby Union	Wallabies (Tier 2)	-	-	1 in every 4 years	18,375	✓	

Event category	Event	Core event calendar		Optimistic calendar		Event attraction funding / support required	Event attraction funding / support comments
		Annual event days	Average event day attendance	Annual event days	Average event day attendance		
	Wallaroos	-	-	1 in every 3 years	4,900	✓	Rugby Australia adopts a competitive process for event placement. Event attraction funding required to secure event.
	Super Rugby	-	-	1	8,575	✓	Assumed to be a relocated 'home game' for non Tasmanian team. Event attraction funding required to secure event.
Rugby League	State of Origin – Women's	-	-	1 in every 5 years	13,475	✓	NRL adopts a competitive process for event placement. Event attraction funding required to secure event
	NRL Mens Club Match	1	17,763	1	17,763	✓	Assumed to be a relocated 'home game' for non Tasmanian team. Event attraction funding required to secure event.
Entertainment	Concerts (Full Stadium)	1	30,000	2	30,000	-	Generally assumes no event attraction funding is required, however likely a need for some financial incentive initially (either via event attraction fund or venue operator) to prove the market due to increased costs associated with location
	Concerts (Arena Mode)	1	10,000	4	10,000	-	
	Adhoc sport / entertainment	1 in every 2 years	12,000	1	12,000	-	
	Festivals	-	-	1	10,000	-	-
Community and local events	Local Football Grand Final	1	4,900	1	4,900	-	-
	VFL Tasmania Devils	1	1,225	1	1,225	-	-
	VFL Tasmania Devils / VFLW Tasmania Devils (Double Header)	2	2,450	2	2,450	-	-
	Coates Talent League (Double Header)	1	613	1	613	-	-
	Existing Mass Participation Events	1	1,500	1	1,500	-	-
	Existing Local Events	1	1,500	1	1,500	-	-
Total		**36-38**	**370,693-404,743**	**48-51**	**513,943–569,068**		
Business events / functions		**104**	**26,000**	**156**	**39,000**		

Appendix C: Stadium Cash Flows

Table 25: Whole of life stadium cash flows ($000s)

Mac Point: Nominal Cash Flow - All years ($)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Revenue																	
Event day revenue	-	-	-	-	-	1,473	1,275	1,644	1,439	1,829	1,615	1,815	1,588	2,019	1,783	2,003	1,753
Ticketing revenue	-	-	-	-	-	817	818	954	957	1,077	1,082	1,053	1,056	1,189	1,194	1,163	1,166
Membership and other revenue	-	-	-	-	-	10,437	6,453	6,351	6,492	6,707	6,856	7,011	7,167	7,404	7,568	7,740	7,911
F&B revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	**-**	**-**	**-**	**-**	**-**	**12,727**	**8,546**	**8,950**	**8,888**	**9,613**	**9,553**	**9,879**	**9,811**	**10,612**	**10,545**	**10,906**	**10,830**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Event day costs	-	-	-	-	-	282	237	297	249	312	262	328	275	344	289	362	304
Salaries and wages	-	-	-	-	-	2,921	2,994	3,069	3,146	3,225	3,305	3,388	3,473	3,560	3,649	3,740	3,834
Turf maintenance	-	-	-	-	-	424	434	445	456	468	480	492	504	517	529	543	556
Administration / overhead costs	-	-	-	-	-	1,947	1,996	2,046	2,097	2,150	2,204	2,259	2,315	2,373	2,432	2,493	2,556
Maintenance	-	-	-	-	-	5,373	5,507	5,645	5,786	5,931	6,079	6,231	6,387	6,547	6,711	6,879	7,051
Total expenses	**-**	**-**	**-**	**-**	**-**	**10,948**	**11,169**	**11,502**	**11,736**	**12,085**	**12,330**	**12,697**	**12,955**	**13,341**	**13,611**	**14,016**	**14,301**
EBITDA	**-**	**-**	**-**	**-**	**-**	**1,779**	**(2,623)**	**(2,552)**	**(2,848)**	**(2,472)**	**(2,777)**	**(2,818)**	**(3,144)**	**(2,729)**	**(3,065)**	**(3,110)**	**(3,470)**
Lifecycle costs	-	-	-	-	-	-	1,126	1,215	1,329	1,079	13,013	4,612	7,008	5,467	11,005	10,206	10,294
Operating result	**-**	**-**	**-**	**-**	**-**	**1,779**	**(3,749)**	**(3,768)**	**(4,177)**	**(3,551)**	**(15,790)**	**(7,430)**	**(10,151)**	**(8,196)**	**(14,070)**	**(13,317)**	**(13,764)**
Capital expenditure	7,400	66,651	237,281	377,506	84,616	1,450	-	-	-	-	-	-	-	-	-	-	-
Net Position	**(7,400)**	**(66,651)**	**(237,281)**	**(377,506)**	**(84,616)**	**329**	**(3,749)**	**(3,768)**	**(4,177)**	**(3,551)**	**(15,790)**	**(7,430)**	**(10,151)**	**(8,196)**	**(14,070)**	**(13,317)**	**(13,764)**

Mac Point: Nominal Cash Flow - All years ($)	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Revenue															
Event day revenue	2,228	1,968	2,212	1,935	2,460	2,173	2,441	2,136	2,715	2,398	2,695	2,358	2,997	2,647	2,975
Ticketing revenue	1,312	1,318	1,283	1,287	1,449	1,455	1,417	1,421	1,599	1,606	1,564	1,569	1,765	1,773	1,726
Membership and other revenue	8,174	8,355	8,544	8,733	9,023	9,223	9,431	9,641	9,960	10,181	10,411	10,642	10,995	11,238	11,492
F&B revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	**11,714**	**11,641**	**12,039**	**11,956**	**12,931**	**12,850**	**13,289**	**13,198**	**14,274**	**14,185**	**14,670**	**14,569**	**15,757**	**15,659**	**16,194**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Event day costs	380	319	399	335	419	352	441	370	463	389	486	409	511	429	537
Salaries and wages	3,930	4,028	4,128	4,232	4,338	4,446	4,557	4,672	4,788	4,908	5,031	5,157	5,286	5,418	5,553
Turf maintenance	570	584	599	614	629	645	661	678	695	712	730	748	767	786	806
Administration / overhead costs	2,620	2,685	2,752	2,821	2,892	2,964	3,038	3,114	3,192	3,272	3,354	3,438	3,524	3,612	3,702
Maintenance	7,227	7,408	7,593	7,783	7,978	8,178	8,382	8,592	8,807	9,027	9,253	9,485	9,722	9,965	10,214
Total expenses	**14,727**	**15,025**	**15,472**	**15,786**	**16,256**	**16,585**	**17,079**	**17,426**	**17,945**	**18,308**	**18,854**	**19,237**	**19,810**	**20,210**	**20,812**
EBITDA	**(3,013)**	**(3,384)**	**(3,433)**	**(3,831)**	**(3,325)**	**(3,735)**	**(3,790)**	**(4,229)**	**(3,671)**	**(4,123)**	**(4,184)**	**(4,668)**	**(4,052)**	**(4,552)**	**(4,619)**
Lifecycle costs	3,792	7,256	11,385	28,573	3,407	9,384	5,688	18,409	26,068	11,606	5,627	16,538	5,197	36,581	4,361
Operating result	**(6,805)**	**(10,640)**	**(14,819)**	**(32,404)**	**(6,732)**	**(13,119)**	**(9,478)**	**(22,638)**	**(29,739)**	**(15,730)**	**(9,811)**	**(21,206)**	**(9,249)**	**(41,133)**	**(8,980)**
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Position	**(6,805)**	**(10,640)**	**(14,819)**	**(32,404)**	**(6,732)**	**(13,119)**	**(9,478)**	**(22,638)**	**(29,739)**	**(15,730)**	**(9,811)**	**(21,206)**	**(9,249)**	**(41,133)**	**(8,980)**

Appendix D: Comparative P&L

Table 26 presents the profit and loss for the Core Scenario, as well as Alternative Scenario 1 and Alternative Scenario 2. It demonstrates the impact on revenues as a result of an expanded event calendar.

Table 26: P&L Comparison between options ($2024; $000s)

Macquarie Point Multipurpose Stadium: Real Cash Flow - Average year ($2024)			
	Core Scenario	Alternative Scenario 1 (Optimistic)	Alternative Scenario 2 (VM lines included)
Revenue			
Venue hire fees	1,246	2,523	1,246
Ticketing revenue	834	1,044	834
Membership and other revenue	5,289	5,462	6,773
F&B revenue	-	-	1,744
Total revenue	**7,370**	**9,028**	**10,598**
Expenses			
Event day costs not passed through	202	523	202
Salaries and wages	2,550	2,550	2,550
Turf maintenance	370	493	370
Administration / overhead costs	1,700	1,700	1,700
Maintenance	4,690	4,690	4,690
Total expenses	**9,512**	**9,956**	**9,512**
EBITDA	**(2,142)**	**(928)**	**1,085**
Lifecycle costs	5,706	5,706	5,706
Operating result	**(7,848)**	**(6,634)**	**(4,620)**
Number of events	37	49	37
Attendance (pax)	392,743	537,218	392,743

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2 August 2024

Mr James Puustinen
Project Manager - Capital Works
Macquarie Point Development Corporation
41 Evans Street
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Dear James,

Macquarie Point - Preliminary Results of Acid Sulfate Soil Investigation

1.0 Introduction

The Macquarie Point Development Corporation (the Corporation) has engaged the services of AECOM Australia Pty Ltd (AECOM) in the role of Project Remediation Consultant to assist with the development, implementation, and ongoing oversight of remediation at the Macquarie Point Site in Hobart, Tasmania (the Site).

The *Tasmanian Acid Sulfate Soil Management Guidelines* (the Guidelines) (DPIPWE, 2009) require an assessment of Acid Sulfate Soil (ASS) is undertaken where the potential exists for ASS to be present, and preparation and implementation of an ASS Management Plan if any risk of disturbance of ASS exists from land use or proposed development. The Site is mapped as having a low probability (6-70%) of Potential Acid Sulfate Soil (PASS) being present on LISTmap's Coastal Acid Sulfate Soils (0 – 20m AHD) layer.

The proposed future development of the Site provided in the *Mac Point Draft Precinct Plan* (the Precinct Plan) (MPDC, 2023) indicates that excavation or disturbance of soil within this layer is likely to be required. As a result, AECOM was requested by the Corporation to undertake an assessment of Site soils to assess if Actual Acid Sulfate Soil (AASS) or PASS is present, and if an ASS Management Plan will be required for future development.

This letter is intended to provide AECOM's preliminary assessment of the data received to date associated with AASS/PASS and inform the Corporation of potential future implications and considerations for development in line with the Precinct Plan. It is noted that analysis, validation, and interpretation of all data from this assessment is not yet complete, and any conclusions or interpretation in this letter are preliminary and subject to change as more data in received.

2.0 Scope of Work

The following scope of work has been completed as part of the ASS Investigation to date:

- Between 16 April and 21 May 2024, 258 soil samples were collected from 20 bores holes across the Site by WSP Australia Pty Ltd (WSP) as part of a separate scope of work which WSP was engaged by the Corporation to complete.

  Samples were collected every 0.5 m of depth until dolerite bedrock was encountered (excluding limited locations where core loss occurred during drilling), and of each lithological layer encountered during bore advancement. The samples were immediately frozen on Site.

- Collected samples were analysed as per the analytical suites in **Table 1** below.

Table 1 ASS Investigation - Analytical Suites

Analytical Suite	Number of Samples Analysed	Comments
pH Field Screen	258	All samples collected were tested by pH Field Screen
Chromium Reducible Sulfur (CRS)	80	CRS analysis was selected based on results of pH Field Screen
Suspension Peroxide Combination Acidity (SPOCAS)	8	SPOCAS assessment was conducted on 1 in 10 CRS samples to validate results.
Slab Tray Incubation	42	Slab tray incubation has been undertaken to assess the Acid Neutralising Capacity (ANC) of soil under "real world" conditions. Results of this assessment are expected between September and October 2024.

Following completion of slab tray incubation, results of the ASS Investigation will be issued in a report, detailing methodology and results of assessment, and providing recommendations for requirements to be captured in an ASS Management Plan for future Site development.

3.0 Preliminary Results and Potential Future Implications

As discussed in the meeting with the Corporation on 8 July 2024, preliminary review of pH Field Screen, CRS, and SPOCAS analysis results have indicated:

- No AASS has been identified in any soil samples collected and analysed.
- PASS has been identified both in fill material, and in deeper natural estuarine material, in the central and eastern portions of Macquarie Point.
- Preliminary results indicate that the natural ANC of Site soil is likely to be greater than PASS concentrations in the majority of locations.

  ANC measures the existing ability for soil to prevent acidification of PASS and generation of AASS if disturbed by construction, and based on these values, PASS is considered unlikely generate AASS or represent a risk if disturbed by construction.

  Under the *National Acid Sulfate Soil Guidance* (the NASSG) (WQA, 2018), ANC reported by the assessment methods used as part of the initial assessment (CRS and SPOCAS) may not be used in assessing AASS or PASS unless confirmed by further testing which reflects more realistic field conditions. Slab Tray Incubation testing currently underway is intended to provide measures of ANC to assess if the values provided by CRS or SPOCAS assessment are representative of the ANC of soil.

  However, some samples (primarily natural estuarine soil beneath the water table) did not have ANC sufficient to neutralise the detected PASS acidity, and may require consideration of further mitigation or management during excavation or stadium construction.

As noted above, full assessment of the potential ASS management requirements for development of the Site will be conducted and reported when the final set of analytical results are received. However, from a preliminary review of available data, the following mitigation measures may be required during development of the Site:

- An ASS Management Plan will be required and should be included in construction documentation.

- Initial indications are that Site soil consisting of shallow fill material above the water table, which is understood to be the bulk of soil to be disturbed by future development, is likely to have sufficient natural ANC to prevent acidification during and following construction. If this is the case, limited to no additional management will be required for the majority of development work.

  If ANC is not sufficient to prevent acidification of fill when disturbed, noting that this is considered unlikely as the soil is already largely exposed to air, additional measures such as additives to excavated soil to prevent acidification may be required. The extent of soils which may require treatment, and quantities of additives required, cannot be assessed until additional data from Slab Tray Incubation testing is received.

- Deeper PASS, consisting of natural estuarine soils which may not have sufficient ANC, may require additional management procedures to prevent acidification. It is AECOM's understanding that the primary activities planned as part of future development which may come into contact or disturb deeper natural soils are:

  - Installation of piles to dolerite to support future structures, such as the proposed Hobart Stadium
  - Excavation of soil in the eastern portion below the water table to construct an underground carpark as part of the proposed Antartic Science Precinct.

  The mitigations or management measures which may be required in the ASS Management Plan for these scenarios are likely to include:

  - Assessing if the underground car park or pile installation will expose PASS to oxygen (above the water table) and excavation of any potentially exposed PASS if so. Excvavated PASS may require *ex situ* treatment such as liming or other measures to prevent potential acidification when exposed to air.
  - Consideration of protective measures for materials which will be in contact with PASS, noting that the saline conditions of groundwater at the Site are likely to require similar protective measures in any event.

As noted at the start of this document, these initial ASS investigation results and AECOM's interpretation are preliminary and limited to initial examination of available data and are subject to change as further analytical data is received and existing data is re-reviewed and fully interpreted.

Yours faithfully

[redacted]

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References

DPIPWE, 2009, *Tasmanian Acid Sulfate Soil Management Guidelines*, Department of Primary Industries, Parks, Water and Environment, December 2009

MPDC, 2023, *Mac Point Draft Precinct Plan*, Macquarie Point Development Corporation, October 2023

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MACQUARIE POINT STADIUM PROJECT STAGE 2024

The team respectfully acknowledges the First Peoples of Australia, their Elders past, present and emerging, who were and are the keepers of their cultural and spiritual knowledge and traditions, and the traditional custodians of the land on which we live, work and play.

Contents

01 BACKGROUND

BACKGROUND

INTRODUCTION

This report supports a Project of State Significance (PoSS) application for the development of the new Macquarie Point Multipurpose Stadium, which is declared by order of the Governor made under section 18(2) of the State Policies and Projects Act 1993 (“the Act “) on 16 October 2023.

A Project of State Significance (PoSS) application is being made for the Multipurpose Stadium as set out in the Architectural Drawings and Landscape and Public Domain Drawings accompanying the PoSS.

The development of the multipurpose stadium forms part of the overall mixed-use development of the precinct including proposed future residential development along the waterfront, Huon Quays, future redevelopment of the Antarctic Facilities Zone and the Macquarie Wharf Ports area as part of the 30 Year Greater Hobart Plan through the MPDC.

Any proposed development works are controlled through the precinct masterplan that is cognisant of both the immediate concerns with the proposed multipurpose stadium and the broader Macquarie Point requirements. Thus, any environmental issues across the area will be handled with all interfaces addressed appropriately through consultation during the early stages and by plans that will cover the needs of the individual sites as they are developed.

Planning will address the potential for up to 104,000 of combined interstate and overseas visitors and 184,000 intrastate visitors on an annual basis. This will cover urban activation, culture and the arts, sports and entertainment, events, transport, public health, environmental and economic needs.

PROJECT OBJECTIVES

The purpose of the Stadium project is to create a vibrant, multi-purpose venue that attracts professional sport, entertainment, and community events.

The Stadium will open Tasmania up to a variety of events that would otherwise only be accessible on the mainland. The venue can accommodate both full stadium concerts and smaller, amphitheatre-style events. This will enable cultural events at a scale not previously available in Tasmania and will be an important addition to the cultural offerings already available in Hobart, such as MONA and the Tasmanian Symphony Orchestra.

This Stadium will bring additional social and cultural benefits that come with having a new multipurpose venue of this scale. It also enables a new AFL team, the Tasmania Devils. Tasmania has always had a keen interest in AFL and has produced a number of well-known legends of the game along with numerous current AFL and AFLW stars playing for some of the game's best clubs. There is extensive grassroots participation from a young age through the AusKick programme, and multitiered competitions for all ages across the state. A Tasmanian AFL team will be the culmination of decades of effort.

Beyond AFL, having a high-quality sporting venue of this nature that will support access to sport at the highest level in Tasmania.

CONSTRUCTION STRATEGIES

The major strategies to be in place for the Macquarie Point Multipurpose Stadium consist of preparation of Management Plans that demonstrate works can be undertaken in a safe manner utilizing a combination of local and interstate labour resources to deliver the project to the required standards and within parameters determined by the EMPC Act.

The key trades of structural steel, building services, concrete structures trades, plasterboard walls and ceilings, and façades will generally need to supplement locally available labour with interstate labour for installation of the works. Each trade subcontractor will be responsible for adherence to the various plans that will be developed to ensure compliance not only with safety requirements but also quality, environmental and programming constraints to absorb the likely influx of visitors from interstate in short term stays and more medium-term accommodation, both during construction and when the stadium is completed and hosting major events. Additionally, the available skillsets of construction workers to meet the stringent quality requirements for welding has prompted a review of the type of connection details proposed to be used for the structural steel roof members so that the work to the required quality can be delivered in the marketplace using resources available in the industry.

CONSTRUCTION MANAGEMENT

Section 9.2 of *The Tasmanian Planning Commission Guidelines for the Macquire Point Multipurpose Stadium - Project of State Significance*, sets out requirements for the Construction Management aspects of the report, which are quoted as follows:

9.2.1 The reports are to provide full details on the timeframe and staging for construction. The reports are to discuss and assess the potential effects of construction activities on the environment, surrounding land uses and infrastructure.

9.2.2 The reports are to outline:

1. *the stages and periods of construction;*
2. *daily working timeframes for different elements of the construction process;*
3. *transport routes and access points for heavy and light vehicles;*
4. *location of areas for storage, on-site manufacturing or temporary offices;*
5. *potential adverse environmental effects;*
6. *potential adverse effects from construction noise;*
7. *potential adverse effects from dust;*
8. *the results of soil contamination and acid sulphate soil analysis and description of any proposed disturbance;*
9. *the proposed construction stormwater management approach and mitigation strategies for the potential for release of entrained sediment and contaminants from construction activities to the Derwent Estuary; and*
10. *the expected overall and daily quantities of materials and movement of heavy and light vehicles.*

The reports are to outline strategies that address significant effects and demonstrate that construction is able to occur:

- *within acceptable environmental limits; and*
- *in a manner that avoids significant adverse effects to surrounding land uses and infrastructure.*

As Australian construction planning and programming specialists, Zancon's expertise relate to the planning for construction projects specifically with respect to project staging, sequencing and timelines within the site constraints established by necessary regulatory controls. The Zancon team for the project, has specific experience as construction managers of large-scale stadiums and projects in Australia in the disciplines of construction programming, construction methodology experts, services Infrastructure specialists and is experienced in preparing similar reports as part of development planning applications. Where reports from specialist engineering disciplines are beyond the expertise of the Zancon team, such as those aspects referenced at 9.2.2 points 5 to 9 above, they are specifically referenced in this report.

SITE DESCRIPTION

The site is located at Macquarie Point bounded by Evans Street to the South-West, the Tasman Highway to the West, the Cenotaph to the North and the Port of Hobart to the East. The site is made up of seven titles which are CT 179192/2, CT 179192/3, CT 179192/4, CT 45404/1, CT 129483/6, CT 20452/2 and CT 210801/1.

The site includes hard stand, open areas and several ancillary buildings, structures and amenities. With the exception of the Royal Engineers Building, these will be removed from the site, or relocated in the instance of the Goods Shed, to support the long-term development of the site.

CONSTRUCTION MANAGEMENT PLAN

This preliminary Construction Management Plan (CMP) demonstrates that the works associated with the construction of the proposed stadium are possible and can be carried out in a manner that will not unduly impact on the environment and the community.

The CMP is an initial document is subject to change and will likely next be updated after engagement of the Design & Construct Contractor (“Contractor”), that is anticipated in the final quarter of 2025, and prior to site works commencing.

All tasks undertaken in relation to the project are to be undertaken in accordance with the following:

- Suppliers and trade subcontractors shall provide assurances of the quality of all goods, materials, and services to be provided;
- All materials and works are to be undertaken to the manufacturer’s specification, Australian Standards or industry codes of practice; and
- Liaison with relevant authorities to co-ordinate the works.

Macquarie Point Development Corporation (“MPDC”) has engaged various consultants to provide documents which support the PoSS including:

- Architect: Cox Architecture.
- Structural: Aecom.
- Building Services and Infrastructure: Aecom.
- Civil: Pitt & Sherry.
- Specialist Roof Structure: Schlaich Bergermann Partners.
- Traffic and Pedestrian Management: WSP.
- Geotechnical and Environmental: WSP.
- Landscape: Cumulus Studio.

The Contractor will be required to adhere to the objectives of the environmental management and pollution control system established by the Act in Part 2 of Schedule 1 of the Environmental Management and Pollution Control Act 1994 (“EMPC Act”).

The principles that underpin the EMP Act are:

- Best practice environmental management to achieve minimization of harm of the activities to the environment.
- To protect, restore and enhance the quality of the environment, having regard for the need to achieve an ecologically sustainable development.
- To provide increased opportunities for public involvement and participation in environmental protection.
- To ensure that the community has access to relevant and meaningful information about pollution and its prevention.
- Reduction of the discharge of substances likely to cause harm to the environment.
- Reduction in the use of materials and the re-use or recycling of materials.
- Simplify the regulatory framework for environment protection and the administration of the environment protection legislation.
- To assist in the achievement of the objectives of waste minimisation through prevention and treatment

02 SITE ESTABLISHMENT

SITE ESTABLISHMENT

In this section of the report, an initial approach with respect to the following topics will be addressed:

- Temporary site fencing/gates to secure areas not already secured by fencing.
- On-site storage, compounds, site office, etc.
- Hoardings to protect the public.
- Traffic crossing over public access.
- Connection to temporary services.
- Site amenities installation.
- Sediment and erosion control measures.
- Identification of services to be protected.
- Statutory and contact signage.

A draft Site Establishment Plan prepared in consideration of the topics listed above, is indicated in Figure 1

Figure 1 – Site Establishment Plan[1]

[1] Refer Appendix 1.0 to this report.

In establishing the “Site”, the Contractor will be required to secure the site for all active work areas including the carpark provided for the use of site-based tradespeople, to ensure the safety of the public and protection of the works.

Whilst there are multiple areas for site facilities to be established within the site, on preliminary analysis of the site access and staging a likely location is for the main site compound to be established in the South-East quadrant of the site to maximize distance to the existing sewerage treatment plant that is located on the North-East of the site. This area will include, first-aid office, lunchrooms, change rooms and ablutions blocks as well as induction rooms. The amenities could be located near existing sewer line connections to avoid the need to pump effluent back up to the connection points.

The site has a natural fall from West to East and from North to South. Subject to engineering design, sedimentation could be located on the Eastern sides of the boundaries and split into two areas to catch run off with minimal path. Both areas are near stormwater and sewer connections and will facilitate sampling, testing of water prior to any discharge into these systems.

Possible vehicle cross overs and vehicle entry and exits from site are shown at Figure 1. Also shown are potential areas to park construction vehicles overnight, as well as proposed adjustments to alignment and left turn lane from Davey Street and the InterCity Cycleway at the North gate entry point (subject to engineering design and authority approvals) and a possible internal haul road to accommodate plant movements within the site.

The building located at 8A Evans Street is to be maintained to serve as a Project Office and will be demolished at a later stage.

Figure 2 shows the North Access Road that will necessitate modification to the left turn in; it also shows changes to the Intercity Cycleway (subject to engineering design and authority approvals as further noted at section 7.3).

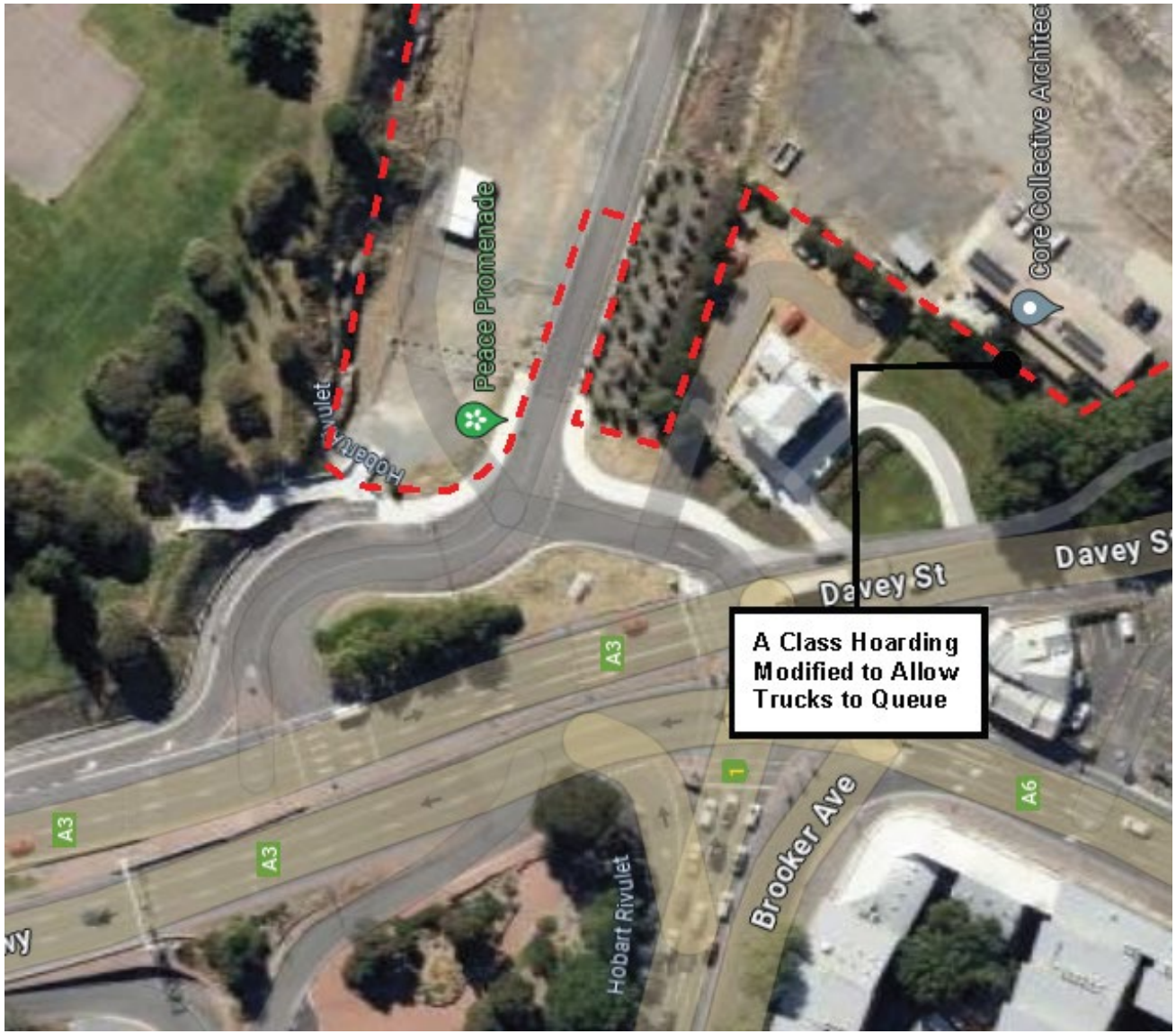


Figure 2 - North Gate Access

Services utilities works will need to be carried out prior to the main works commencing as part of a proposed Enabling Works package, the Corporation is already progressing across the site, i.e. the realignment of the Sewer mains. This will not only reduce the potential for possible accidental services outages through working under less demanding circumstances, but importantly will also maintain a safe environment for the operatives that will be working near existing services. The new authority services required will affect Evans Street (and to a lesser extent Davey Street) and will require road closures (subject to separate application and approval) prior to the works being carried out.

It will be in the interests of public safety and amenity to carry out these works prior to the main works commencing when there will be more vehicle movements to the site. This will help spread the load on the surrounding road network over time.

03 CONSTRUCTION TIMEFRAMES

CONSTRUCTION TIMEFRAMES

STAGES AND PERIODS OF CONSTRUCTION

It is anticipated that construction works will commence after contract award is granted followed by Early Works in late 2025 and then Main Contract works. It is understood that the project construction works are currently planned to run through to completion of building, testing and commissioning of the Main Works prior to AFL overlay and other events focused works that will run for up to six (6) months. The project will likely involve the following indicative overlapping stages:

- Enabling Works including shop drawings, site establishment. etc (9-11 months)
- Site Retention and Bulk Excavation. (8-10 months)
- Substructure. (5-7 months)
- Structure and Roof (25-30 months)
- Services and Finishes (12-15 months)
- Landscaping and public domain (8-10 months)

DAILY WORK TIMEFRAMES FOR THE CONSTRUCTION PROCESS

Generally, works will be conducted in daylight hours as they are likely to be approved in the development consent. This will allow construction to occur in conformance with the *Environmental Management and Pollution Control (Noise) Regulations 2016*[2] to allow any neighbours and the community to enjoy the Macquarie Point precinct without undue noise, dust or construction activity outside of those approved hours. Works are not currently planned to be undertaken on Sundays or public holidays.

The only exception to the proposed site working hours will be as per the site safety rules such as if there is a life threatening or otherwise emergency situation that needs to be dealt with. Under these circumstances, communications with compliance officers will take place.

It is likely that there will be isolated occasions, especially during the harsh winter months, when the prevailing weather conditions will hinder the finishing of "wet" concrete floors. This may require some slight relaxation of working hours restrictions to allow floors to be finished to the necessary standards. Should this need arise, a future communications plan will deal with the protocols for liaison with the key stakeholders by the Contractor, in coordination with the City of Hobart compliance officers beforehand. When this occurs, the works will largely be confined to a few construction workers carrying out what would be deemed within the permissible environmental criteria for noise, dust, vibration and the like.

The Contractor may also request to carry out a number of high risk work for specific scopes of work outside the likely approved hours of development consent for such activities such as connections of permanent power to the grid, (similarly for the supply of water, gas, etc.), fire safety services testing and back up emergency supplies. Similarly, to maximise crane time and maintain scheduled progress on such a significant project, there may be a request that maintenance works to plant, and equipment takes place outside of site working hours. This might require a small number of mechanics and technicians on site every 2 - 3 months for a short period of time.

[2] See for example - https://epa.tas.gov.au/environment/noise/noise-management/residential-noise-and-hours-of-use

Should there be unforeseen delays to the works, the Contractor may seek approval to carry out works within enclosed areas where the sounds of construction are contained and controlled during the latter stages of the construction and commissioning process in the period leading up to completion of the works. Should this request be made, it will likely be accompanied with data noting ambient noise levels, how the works will be conducted in largely completed areas for "quiet" trades such as painting, carpet installation, rectification of defects, testing and commissioning of building services or similar activities.

Where practical, the hours of works relating to services relocations and disconnections (such as certain sewer and electrical connections etc.) will need to be approved by the relevant Authorities and be negotiated with surrounding impacted neighbours.

HOBART CENOTAPH SIGNIFICANT EVENTS

Hobart Cenotaph (Usually *The Cenotaph*, also referred to as *Hobart War Memorial*) is the main commemorative military monument for the Australia state of Tasmania. It is located in the capital Hobart in a prominent position on the Queens Domain, on a small rise overlooking the city and the River Derwent. The Cenotaph sits directly above what was once the location of the Queens Battery. The following events shall be non-working days as part of the construction duration;

- ANZAC Day, set date 25 April (key times are generally: 6am service, 11.45am service).
- Battle of Britian, commemorated on Sunday mid-September - wreath laying ceremony generally around 11am.
- Siege of Tobruk, commemorated on Sunday, November to December.
- Battle of Crete, commemorated on Sunday, end of May.
- Remembrance Day, set date 11 November (10am-11.30am, at 11am a period of silence).
- Vietnam Veterans Remember Day, set date 18 August (generally 11.30 to 1pm).
- Anniversary of the Korean War Armistice, set date 27 July.

04 ENVIRONMENTAL

ENVIRONMENTAL

The following specific environmental management principles will be implemented on site with environmental performance to be monitored throughout the Works, in accordance with future engineering design requirements.

NOISE & VIBRATION MEASURES

The Contractor will prepare and implement a Construction Noise and Vibration Management Plan. The Plan will require consideration of the following noise and vibration mitigation measures to be applied to the work and in accordance with the Acoustic Report[3]:

- A member(s) of the Contractor's staff member will be suitably qualified and appointed as the Responsible Person(s) with respect to noise and vibration.
- Regular training will be conducted with all workers and contractors (such as at toolbox talks) in the use of equipment and carrying out works in ways to minimise noise.
- The Contractor will ensure good work practices are adopted to avoid issues such as noise from communication radios is kept as low as is practicable.
- The Contractor will avoid the use of radios or stereos outdoors.
- The Contractor will check and rectify any defective exhaust systems in trucks and machinery used on site.
- Turning off all vehicles, plant, and equipment when not in use.
- The Contractor will ensure that the Responsible Person(s) checks the conditions of the powered equipment used on site daily to ensure plant is properly maintained so that noise emitted is as low as practicable.
- The Contractor will ensure the working hours on site are controlled such that work is only done during the approved periods (7am to 5pm on weekdays and 7am to 3pm on Saturdays. No work on Sundays or public holidays).
- The Contractor will follow a communications plan to ensure that the local community is advised on expected activities, coordinating scheduling and locations of noisy works around any critical user events where practicable. This shall include face to face meetings with nearby receivers if requested and a letter box drop and shall include close liaison with neighbours.
- The Contractor will where practicable use sound dampening measures on vehicles.
- The Contractor will adhere to the construction noise and vibration mitigation measures outlined in the Noise and Vibration Impact Assessment.
- It is understood that baseline conditions have been established for the site and the surrounding areas with monitoring equipment positioned to obtain data at a number of locations.

The sensitive receptors are located as identified in Figure 3.

[3] Refer to Acoustic report "PoSS 8.4_Noise and Vibration Report_240717"

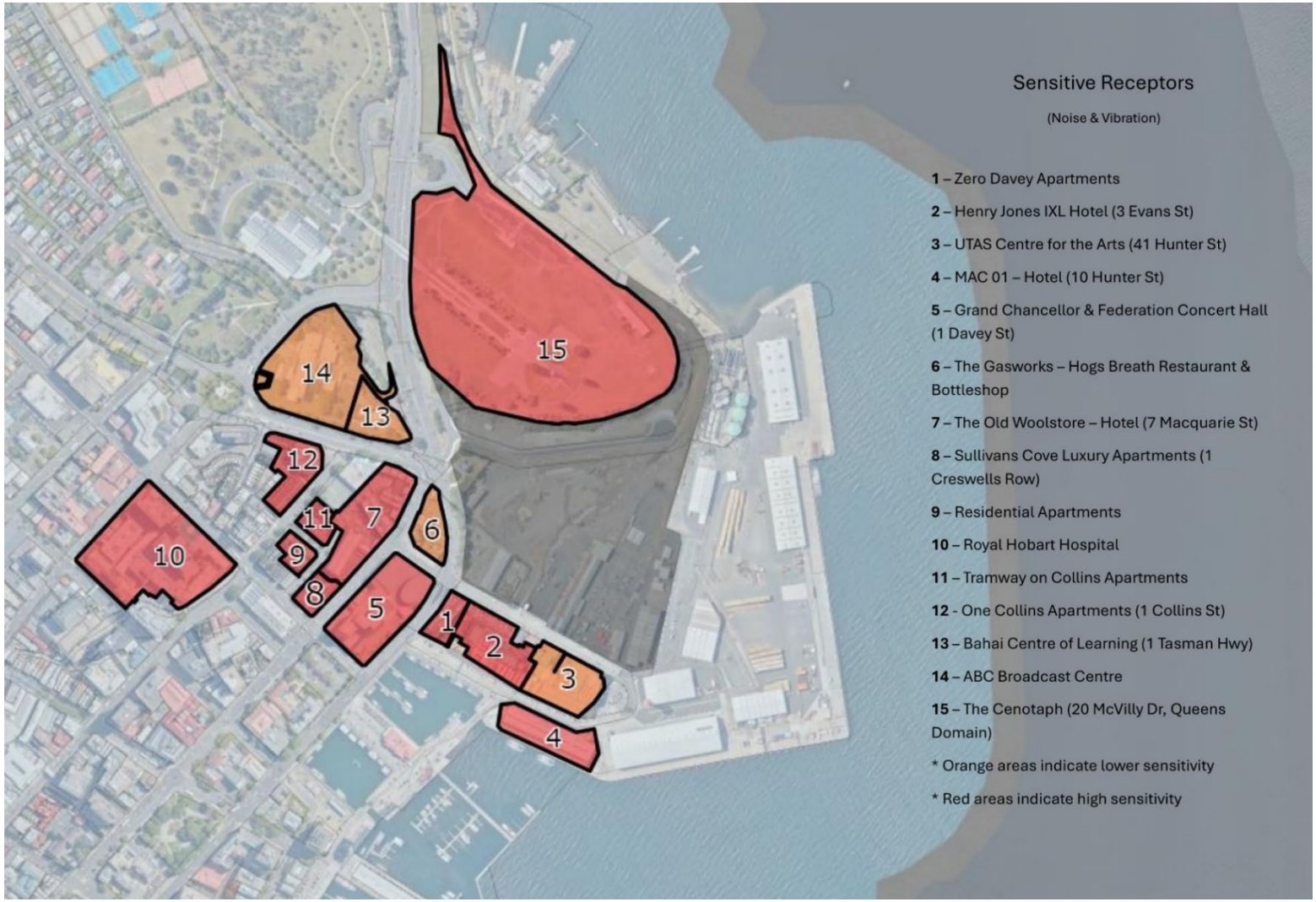


Figure 3 - Noise & Vibration Sensitive Receptors

Figure 3a shows Rivulet sensitivity receptor

Figure 3b shows the Royal Engineers Building where receptor is housed.

After assessment of the data obtained from the sensitive receptors during the future investigations, controls can be determined to maintain noise emanating from the site during construction at acceptable levels.

The likely highest levels of vibration and sound emissions will come during the excavation of hard rock over an indicative period of 13 to 17 months as the stadium is being brought down to the required building levels. The use of hydraulic rock breakers on excavators will generate extensive energy that will need mitigating measures. Equipment to be used will likely be restricted to have non-metallic suspension of its percussion mechanism in a fully seated box to reduce noise and vibration transmission. Anticipated sound power levels could be in the order of 120dBA.

Additional measures to reduce the effects of this machinery may include enclosing areas to prevent noise escaping and causing discomfort to members of the community outside the site.

All operators and site staff will have the necessary personal protective equipment, including but not limited to appropriate earmuffs that offer up to 30dB noise reduction, safety glasses and high visibility clothing.

After the activity of rock breaking during excavation, sound power levels reaching approximately 103 dB will likely be generated during concrete pumping operations. Acoustic enclosures will likely be provided around the concrete pump to contain breakout noise.

DUST AND AIR CONTROL MEASURES

Dust control measures for site works will be as determined by a qualified engineer, to meet the requirements of the environmental management and pollution control system established by the Act in Part 2 of Schedule 1 of the Environmental Management and Pollution Control Act 1994 and likely include:

- Erection of site fencing to provide appropriate barriers at the site boundary.
- Erection of effective screens and barriers around dusty activities.
- Cleaning of the barriers should be completed as necessary.
- Communication with neighbouring properties prior to undertaking works in proximity to their premises.
- Establishment of a complaints management system to record details of any air quality-based complaints.
- Use of effective water suppression where necessary.
- Limit excavation activities that will create dust during times of adverse wind.
- Covering of stockpiles.
- Trucks to have payload tarpaulin covers in place prior to leaving the loading area.
- Wheel washing system for trucks.
- Implementation of a Dust Management Plan by the Contractor to meet the environmental limits in the plan.

MONITORING OF AIR QUALITY

Monitoring of air quality includes daily and weekly visual surveillance of dust emissions; dust controls and plant emissions will need to occur during construction.

Weather and physical parameters such as wind speed, rain, temperature, and humidity will likely be recorded to assist in programming works (impact of rain and wind conditions on site) and works will not be conducted during periods of rainfall where there is the potential to generate adverse runoff, or where heavy rain is forecast. Weather data (such as wind direction) will also be used where complaints are received in relation to dust or noise.

ODOUR CONTROL

Prior to the commencement of excavation, a validation consultant will be required to prepare a detailed Sampling, Analysis and Quality Plan (SAQP) in accordance with the Consultants Reporting Guidelines. This will utilise the same controls as adopted currently for the site remediation work being undertaken.

As the proposed development of the stadium is staged as part of the wider precinct development, a separate SAQP will be prepared for each stage to account for staging of the works.

It is anticipated that when the main works are ready to commence, a clearance certificate will have been obtained confirming contaminated materials have been removed and any material that gives rise to odours will have been removed or suitably treated to render it inoffensive.

STORAGE OF DANGEROUS GOODS

The works may involve the use of flammable fuels such as petrol, diesel, oxy-acetylene, lubricants and oils. Such items will be required to be stored in a lockable compound, within an appropriately bunded area to prevent leakage into stormwater systems.

There will need to be sufficient ventilation in accordance with relevant codes of practice and standards.

Material safety data sheets (MSDS) on all flammable and potentially harmful liquids will be provided to the Contractor undertaking the works. Copies of MSDS will be kept in the site office and easily accessible to all construction personnel.

EROSION AND SEDIMENT CONTROL

Appropriate erosion and sediment controls to meet the requirements of the environmental management and pollution control system established by the Act in Part 2 of Schedule 1 of the Environmental Management and Pollution Control Act 1994 will be in place before starting Works and maintained up to the commencement of construction works.

During the works, the stormwater infrastructure will be utilised whilst excavation and clearing works are conducted and maintained through construction works up until completion.

The site would be managed through implementing appropriate measures to prevent sediment run-off, erosion emanating from the site during construction. An area of approximately 2000m2 will be set aside on the eastern side of the site to act as a sedimentation tank to settle material and allow solids to be captured flowing from the higher parts of the site during construction.

Erosion and sediment control measures will be implemented and maintained throughout the construction period in accordance with the details of the erosion and sediment control plan and to the satisfaction of the principal certifying authority.

All necessary erosion and sediment control devices will remain in place during the works.

WATER QUALITY MANAGEMENT

Control and monitoring measures carried out by the Contractor will be required to comply with the requirements of the environmental management and pollution control system established by the Act in Part 2 of Schedule 1 of the Environmental Management and Pollution Control Act 1994 and likely include but not be limited to the following:

- All run-off surface water will be diverted from site where possible and run-off captured in the sedimentation tank for treatment prior to disposal.
- Before pumping any water out an Approval to Discharge or Reuse Water will be obtained from TasWater.
- Quantities of sealants, solvents, oil, and fuels will be stored correctly and bunded.
- All roads will be maintained and cleaned to prevent spoil entering the stormwater system.
- Temporary bund protection products will be used to manage potential spills/leaks and any potential contaminants.
- Temporary bunds will surround stormwater drainage paths near any concrete sawing or brick and block cutting activities.
- Streets will be swept to manage sediment tracking onto road surfaces throughout works.
- Maintenance and checking of controls, check machinery daily for any oil or fuel leaks.
- Any water from rainfall onto the work site will be managed appropriately prior to discharge.
- of materials will be located away from areas where it could potentially move to waterways or stormwater drains, or alternatively stockpiles will be isolated with sediment controls in place.
- All loads to be covered during excavation to prevent spillage of material and dust being swept into the air.
- Stockpiles Install sediment controls on stormwater inlets such as sediment traps and barriers where required by the changing location and nature of the works.
- The quality of surface water discharges from site will be monitored visually during and after rainfall events and if required the Environmental Consultant will establish further controls.
- The monitoring frequency shall be determined on a case-by-case basis by the Environmental Consultant.

05 TRAFFIC MANAGEMENT

TRAFFIC MANAGEMENT

The Contractor will be required to prepare a Construction Pedestrian and Traffic Management Plan (CPTMP) informed by the Traffic Impact Assessment and obtain relevant approval of the plan prior to commencement of works. The overall principles of traffic management during works will be as per the Traffic Impact Assessment which will likely include:

- Minimising the impact on pedestrian movements.
- Maintaining appropriate public access to adjoining lands and properties.
- Minimising the impact to existing traffic on adjacent roads and intersections.
- Maintaining access to/from any adjacent properties.
- Strictly adhering construction vehicle movements to designated routes to/from the site.
- Managing and controlling construction vehicle activity in the vicinity of the site.
- Ensuring construction activity is carried out in accordance with approved hours of works.
- All trucks will be loaded to their prescribed weight limits, within the site boundary, and be covered with a tarpaulin (rubbish loads only) prior to exiting the site.

The following machinery used on site will follow strict traffic guidelines:

- Bulldozers and excavators for excavating the site to levels and services trenches.
- Piling rigs for installing bored piles.
- Backhoes and smaller “bobcats” for cleaning up.
- “Truck and dog” assemblies for excavated materials and rubbish disposal.
- Semi-trailers for loading and unloading machinery, structural steel, and precast panels.
- Generators for power and lighting.
- Concrete pumps and concrete trucks.
- Mobile cranes ranging from large to small erecting precast and steel members.
- Forklifts for unload/loading trucks.

The excavation phase will likely involve trucks travelling to designated waste disposal sites at Blue Hills Road, Copping for the Level 3 contaminated waste and other tip sites at Glenorchy or McRobies Gully, South Hobart for level 2 or lower spoil material. This transfer shall be in accordance with the environmental consultant's categorisation and accompanying EPA approvals.

CONSTRUCTION VEHICLE TRANSPORT ROUTES

Transport routes to the project are largely yet to be proposed and will involve rigorous and thorough consultation with the City of Hobart officers responsible for the issue of permits and approvals as will be any temporary road closures necessary and other necessary authorities. It is also anticipated that the Contractor may require some adjustment made to the Intercity Cycleway and modifications made to allow construction traffic to be separated from the public.

Preliminary studies indicate that vehicles will generally travel along the Tasman Highway crossing the Tasman Bridge from the North or if travelling from the West, along the Brooker Highway and Brooker Avenue before entering the site from the northern road on the high side of the site or along Evans Street.

Figure 4 depicts route for deliveries to and from site. It is also anticipated that that the internal haul roads are used for overnight parking as shown in Figure 1. Proposed parking for trades are also shown at Figure 10 below.

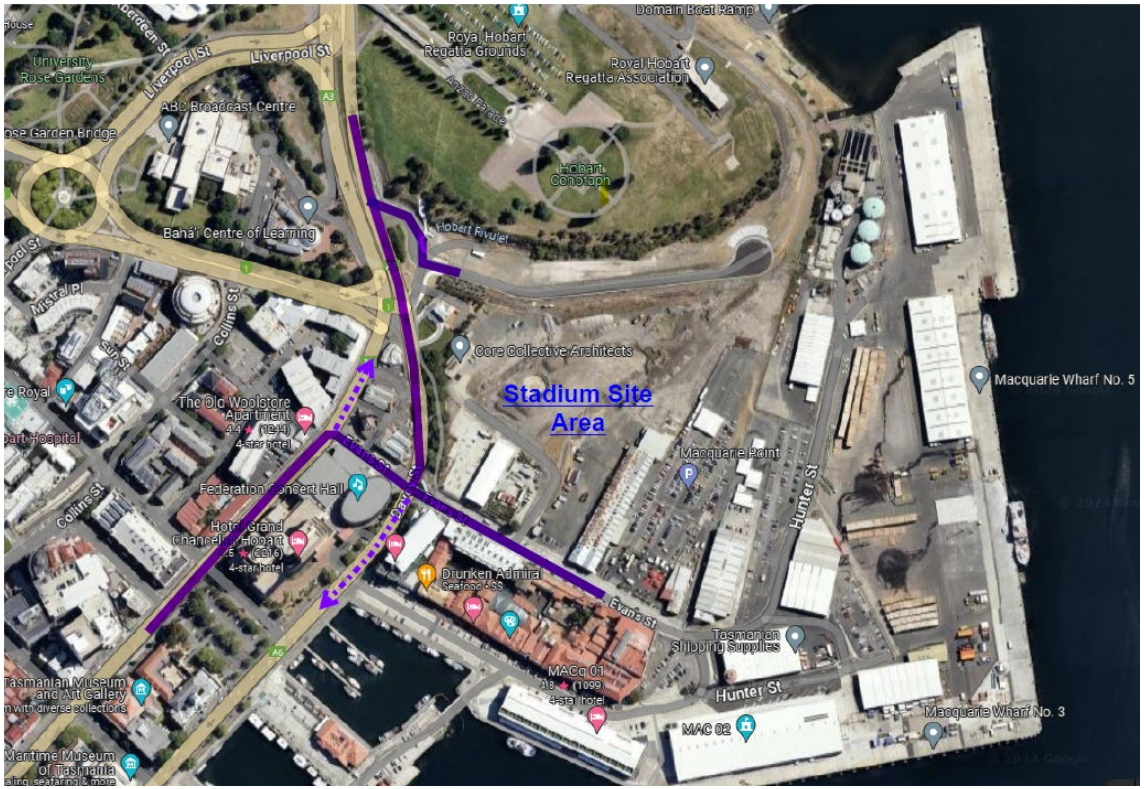


Figure 4 - Site Access Routes

Selection of the site cranes based on capacity and lifting radius will be examined to inform the design completion and particularly for developing the temporary support structures required during erection of the structural steel frame. This will inform the materials handling strategy. The crane(s) capacity and reach will dictate the type of transport for some structural steel members and roofing material. It is anticipated that the future crane study will advocate for all lifting to be done from within the site in a safe manner utilising the movement of materials on trailers.

TRANSPORT ROUTES AND ACCESS POINTS FOR HEAVY AND LIGHT VEHICLES

The preliminary site studies show the proposed ingress and egress to the site will be through different gates to aid the flow of materials to and from the site during the site clearance and bulk excavation stages.

It is proposed that the local road network will be used for transportation of materials and personnel to and from the site. The travel paths are defined in the Traffic Report[4].

[4] Refer WSP Transport Study Report "PS206346-WSP-MEL-PAM-REP-001-REVB"

HEIGHT OF PROPOSED STRUCTURES AND SET-BACK FROM BOUNDARIES

The building design will consider the heights of existing structures and the need to keep the proposed stadium structure to within limits. During construction, it is anticipated that there will be a small increase over the heights of the proposed new structures for temporary access in order to safely prepare and install components of the works. As described in the Architectural Report[5], setbacks from the site boundaries respect the significant structures and historical features of the Cenotaph, the Royal Engineers Building and Land, the Aboriginal Culturally Sensitive Zone as well as visual connections with the water and ports area.

DELIVERIES THROUGH TASPORTS - MACQUARIE WHARF

In addition to site access via land, exploration of the option to bring materials in by water through TasPorts will be evaluated and considered for feasibility and will be subject to further investigation and agreement in consultation with TasPorts.

Preliminary discussions have occurred between MPDC and TasPorts to ascertain the availability of the TasPorts-controlled Macquarie Wharf for use in receiving materials for use on the stadium. It is understood that, whilst there are some periods during the summer months when cruise ships, logging and cargo ships and other vessels that are bound for Antarctic missions, there appears an opportunity to capitalise on the close proximity of the wharf that would be of significant benefit during the construction of the stadium.

Delivery of materials via the wharf could also take a large number of trucks and heavy vehicles off the road network and also allow an easier route for oversize deliveries to site. This would lessen potential deleterious impacts on the environment through road transport that would otherwise be utilised and has been successfully undertaken at other projects currently underway in Australia, including the new Sydney Fish Markets where large glulam timber roof elements and roof modular cassette windows are being assembled nearby at Glebe Island prior to being delivered to site via barges, as shown in Figure 5 below.

[5] Refer Cox Architecture Document "COX Case Studies-Inner City Stadia"

Figure 5 - Wharf Material Delivery (Sydney Fish Markets example)

Materials that might be transported by barge to the wharf include:

- Structural steel members and roofing materials.
- Precast concrete seating plats.
- Glulam timber roof sections.
- Mechanical plant and equipment.
- Building materials such as plasterboard, wall and floor tiling.
- Wall cladding panels, glazed window units.
- Containers with finished building elements.
- Stadium seating for patrons.

06 CONSTRUCTION METHODOLOGY

CONSTRUCTION METHODOLOGY

HOARDINGS

Areas of the site where works will be undertaken will be required to be securely fenced off to protect the public and separate construction worker areas from the community. The following matters will be required to be considered by the Contractor regarding the site hoardings, fencing, and barriers:

- Where possible maintain the existing perimeter fencing and attach shade cloth, or erect hoardings, to control views and manage dust.
- The site hoardings, perimeter fencing barrier systems will be kept tidy throughout the programme of works.
- all excavations below 1m in height will have safety barriers delineating potential fall areas.
- Hoardings, barriers, and other perimeter fencing will be suitably lined to limit public viewing to designated viewing areas. This will aid pedestrian flow around the site and some interaction with the public to offer viewing of the progress of the project.
- The hoarding/fences may be adjusted to suit the phases of the precinct's development.

Figure 6a shows "A" class hoardings, lined with painted plywood that will enclose the site and provide separation of the construction site from the community and public.

Figure 6a - A Class Hoarding

An Overhead Protection Gantry (OHP) to protect the public from any lifting of plant and equipment is also shown on part of Evans Street, where the new stadium structure is to be built close to the boundary. An alternative to this approach will require the temporary closure of part of Evans Street footpath.

Figure 6b shows an example of "B" class hoarding (10kPa rating) overhead protection proposed over part of Davey Street

HERITAGE

The heritage listed Royal Engineers Building and Land are important items that form part of the site and precinct's rich history. This building will need to be protected and respected throughout the construction work for the proposed stadium in accordance with any heritage requirements. The Royal Engineers Building and Land will need to be suitably shielded from construction works by temporary fencing and "A" class hoardings. The precinct also has a number of significant structures and heritage buildings in the surrounding areas. These are set out in the Urban Design Framework Report and include:

- IXL Jam Factory - University of Tasmanian Centre for the Arts.
- Hobart Cenotaph and Anzac Parade.
- Henry Jones & Co.
- Goods Shed (which is proposed to be relocated on site).

Figure 7 - Heritage Area

PEDESTRIAN & CYCLEWAY ACCESS ALONG DAVEY STREET

Discussions with City of Hobart will need to address possible changes to pedestrian and cycleway access along Davey Street at the left turn into Evans Street heading South, to provide safe passage for the public and community and will be subject to authority approval. If approved, this work is anticipated to be carried out by the Contractor prior to commencement of excavation as part of an Enabling Works package.

Figure 8 - Pedestrian & Cycleway Access along Davey Street

SIGNAGE

The Contractor will be required to comply with law and regulatory requirements with respect to site signage and address issues such as the following:

- Signs will be displayed in a number of areas around the site advising of the 24hr contact details for the site.
- All works related to signage (including particularly safety-related signage) will comply with the relevant Tasmanian codes of practice.
- A temporary hoarding will be erected between the work site and adjoining public lands before starting work and must be kept in place until completion of the works as there is a risk that the works:
    1. could cause danger, obstruction, or inconvenience to pedestrian or vehicular traffic.
    2. could cause danger, obstruction, or inconvenience to the Aboriginal Culturally Sensitive Zones.
    3. could cause damage to adjoining lands.

The City of Hobart compliance officers will need to be notified in writing prior to the erection of any structure or other obstruction on public land such as fences, hoardings, and vehicle crossings. The site is currently undergoing remediation works to render it suitable for development. However, there may be hazard removal areas in fully isolated zones if contaminated material is identified as still remaining, for example in services trenches.

TRUCK MOVEMENT DURING CONSTRUCTION AND FOUNDATION PILING

Throughout the different phases of the project, the types of vehicles accessing the site will differ. As excavation reaches completion, vehicles accessing the site for substructure (or foundations) work are considered.

Preliminary investigations of the geotechnical data available[6] shows that for the structural loads imposed by the proposed stadium structure, 900mm diameter piles would be required. This would enable transfer of the loads into the foundations as supported by the rock at depths and load capacities as determined by the structural engineer.

After consideration of piling rig options, it is understood that the use of driven piles is not preferred due to the vibration and sound transmission from such a method of construction. Continuous flight auger piles or bored piles using a steel cylindrical sleeve were preferred based on the impact on time and cost whilst providing the best environmental outcome (less vibration and noise). Also, the amount of spoil that needs to be disposed of with bored piers makes it the likely most economical option. This assessment was made on the basis that the environmental issues would take precedence over cost and time considerations in this instance.

Initially, to carry out the foundation works there will need to be two (2) large piling rigs on site to bore the piles. This will need excavation and removal of additional site material to lay a piling platform to allow safe access for the heavy plant and equipment. It will consist of a layer of up to 800mm of crushed rock of up to 30,000 tonnes to be removed and replaced with suitable engineering fill over the site footprint. Initial calculations indicate that establishment of a piling platform would involve fifty (50) truck movements daily for twenty (20) days.

[6] Refer Geotechnical Report "PoSS 1.3 & 1.4_Geotechnical_July 2024"

It is anticipated that during the period of foundation piling, other pad footing foundations may also be constructed.

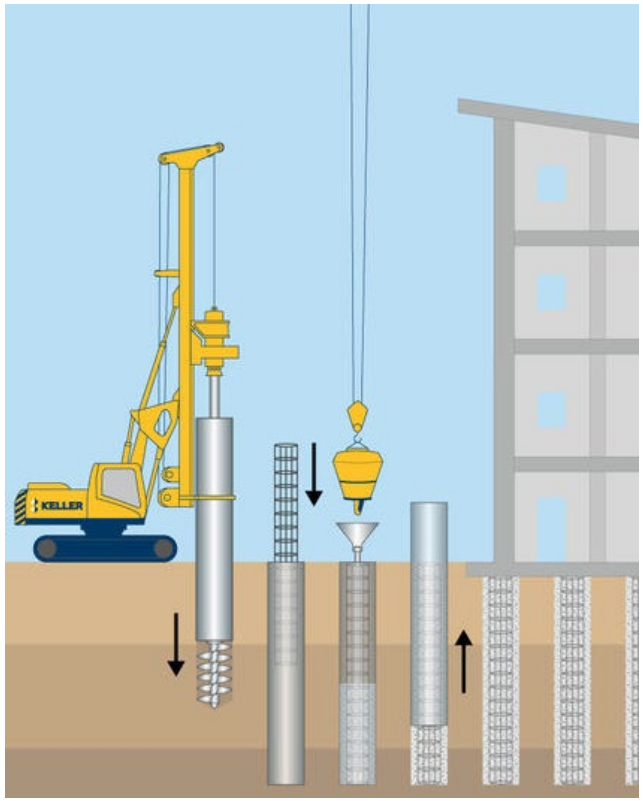


Figure 9 - Piling Works Sample Image

For the Superstructure phase of the works, it is anticipated daily truck movements will likely consist of heavy vehicles mainly for delivery of formwork materials, viz, stacks of plywood sheets, scaffolding frames and props, other heavy metal components and steel reinforcement, building services pipes and fittings, mechanical ductwork, plant and equipment, electrical cables and precast concrete elements and transit mixers for concrete for incorporation into the works whilst there will generally be 2-3 bins of rubbish and site waste leaving the site.

It is anticipated that most daily deliveries will be by the use of heavy vehicles that will be required to avoid driving on public roads during morning and afternoon peak periods to allow more efficient movements on the public roads. To deal with this issue, it is likely that the Contractor will be required to deliver materials via road vehicles predominantly in the evenings or early mornings and park off site in specially allocated truck parking bays prior to their movement to the selected site materials handling zones. This will be especially so for interstate and overseas deliveries.

During concrete pours, there will be a greater intensity of truck movements requiring placement of up to 400m3 over a 6-to-7-hour period from 7.00am onwards and utilising a concrete truck entering the radio controlled site gate every 4-5 minutes to discharge its load into concrete pumps prior to washing out excess concrete slurry and waste into the purpose-made settling ponds and leaving the site. There will be up to approximately seventy (70) daily truck movements for these concrete pours. This is likely to be the case for some 12 months or more.

LOCATION OF STORAGE AREAS, ON-SITE MANUFACTURING, SITE OFFICES

The site establishment areas proposed shown at Figure 1 above have been initially proposed to minimise the travel distance to site for construction workers moving daily from their allocated lunch and change rooms, ablutions blocks or materials storage areas, to the workface in the most expeditious and efficient manner.

Consideration has also been given to maintain separation from the Aboriginal Culturally Informed Zone, the heritage areas of the Royal Engineers Building and Land and to respect the adjacent land uses proposed at the Antarctic Facilities Zone. Visually, the sensitive areas will be required to be shielded from further disturbance with processes in place to seek approval for any works that might have the potential to impact on these sensitive locations. Site amenities are based on forecast labour required to deliver the project estimated to be over four hundred (400) at peak, within the timeframes for the construction and handover of the stadium.

Lunch sheds, change rooms and ablutions blocks have been sized based on meeting WH&S requirements and industry standards for social distancing post Covid-19.

Areas have also been allocated outside the site for overnight parking of heavy vehicles that will be travelling from dispatch points either from interstate or elsewhere.

Other areas are required for storage of materials upon delivery to site prior to the installation into the works. This has been estimated to require a significant volume of space for materials supply as well as lay down areas for the assembly of various components. Further as part of contingency planning, the intent would be to take into account any potential delays in the supply chain that might impact on timely delivery of goods. Accordingly, the space will be allocated to stockpile some materials, plant and equipment to provide some "buffer" in the event of unforeseen circumstances.

"B" class hoarding will be provided in areas where overhead lifting of materials will occur. In other areas "A" class hoardings of waterproof plywood will enclose the site. These hoardings will have Government branded signs advertising the project and its main sponsors as well as providing some relevant information for the public in terms of project description, major project stakeholders and sponsors, 24/7 telephone number or email address for anyone wishing to reach the authorities for comments or complaints, etc.

The plywood hoardings also act to provide a measure of containment of noise and dust to within the site.

07 CONSTRUCTION MANAGEMENT

CONSTRUCTION MANAGEMENT

AVOIDING SIGNIFICANT ADVERSE EFFECTS TO SURROUNDING LAND & INFRASTRUCTURE

It is understood that MPDC has held high level discussions on the local industry capacity and ability to provide the necessary resources to deliver the works within the timeframes suggested. There will undoubtedly be labour from the subcontractor markets from interstate as well as locally sourced who will travel to the site daily by private car. To cater for this, it is proposed that a construction worker car park be established as indicated in Figure 10.

Figure 10 - Potential Trades Parking[7]

By adopting a pro-active approach to the number of vehicles, it is anticipated that there will be a reduced impact on neighbouring streets, and property so that the wider community is impacted less.

Similarly, it is proposed that overnight deliveries can be transported and parked away from local streets in designated truck and heavy vehicle parking bays in the queuing

[7] Refer WSP Transport Study Report "PS206346-WSP-MEL-PAM-REP-001-REVB"

area or the internal site haul roads as indicated on the proposed site establishment drawing.

POTENTIAL ADVERSE ENVIRONMENTAL EFFECTS

For the Macquarie Point Multipurpose Stadium, the day-to-day environmental matters are addressed through the Construction Management Plan, the Environmental Management Plan including Noise and Dust Management, Water Quality Management, Odour Control, Soil and Erosion Control and Sedimentation Management Plan, Traffic and Pedestrian Management Plan.

Control of noise and dust has been set by having ambient noise levels established and then, a set of parameters put in place that will be met to mitigate any deleterious effects on the environment and community. Noise, dust and vibration concerns are addressed through a combination of active and passive controls. Amongst planning considerations, amenities are to be positioned using the mass of structures both temporary and permanent, to shield the public from excessive noise and dust during construction. This is to be considered in conjunction with acoustic treatment as determined by the acoustic engineer for items of plant and equipment that might generate higher levels of noise and vibration.

Generally due to the type of foundations being bored piles, this will not cause damaging or uncomfortable levels of vibration. There will be intermittently higher levels of noise and vibration generated during concrete placing activities, but these are not excessive and are addressed in the acoustic engineer's report[8].

Should there be substantial rain during excavation, the site will not allow trucks to enter or leave the site without being thoroughly washed down and any mud cleaned off before going onto the public road network. Generally, in extended periods of rain, the tip sites will be closed due to road conditions and not take delivery of materials from anywhere.

POTENTIAL ADVERSE EFFECTS FROM CONSTRUCTION NOISE

The use of electric powered cranes is considered as likely to have less of an impact on acoustics emanating from the site. This is from the point of view of reducing emissions from petrol or diesel engine usage and from a noise perspective as electric-driven cranes do not have an impact on the acoustic environment as much as diesel powered cranes. Other obstacles that need to be overcome include the available power to the site being limited until after the installation of upgraded supply from a new substation and the restrictions that would be placed on positioning of cranes to reduce voltage drop and supply fluctuations that might affect the safe use of electric cranes. All this was assessed with electric cranes deemed not suitable due to operational limits on lifting and the potential to extend the overall duration of construction work.

Site planning will also consider the use of the mass of structures both temporary and permanent. Concrete plant, placing booms and pumps will be positioned on site to maximise sound absorption by building mass and solid objects between the item of plant and the site boundaries. This will shield the public from excessive noise and dust during construction. In addition, acoustic treatment as determined by the acoustic engineer will be applied to concrete pumps in operation to reduce the impact of any sound transmitted during concrete works of plant and equipment that might generate higher levels of noise and vibration.

The major construction components of steel for the structural frame of the stadium and roof will likely be required to be erected using large cranes generally lifting from inside the stadium bowl area. This has the advantage of taking erection of major sections far from the public that might be adjacent to the work site - all lifting will be conducted using Safe Work Method Statements developed specifically for the project by the Contractor in particular, responding to the unique elements of the structure that

[8] Refer to Acoustic report "PoSS 8.4_Noise and Vibration Report_240628"

need to have bespoke solutions.

Viewing areas will be allocated around the perimeter of the site to afford the community a closer, but safe view of progress and it is anticipated that family open days will be scheduled during the construction to allow Tasmanians to view the progress of the works firsthand.

All materials delivered to site will be unloaded either by crane or forklift to proposed storage areas or wherever possible, lifted into areas adjacent to where the components are required to be incorporated into the works. Generally, works at the higher levels will be undertaken from multiple elevated working platforms that will be more flexible in being able to be manoeuvred into the right location for the works when compared with a fixed platform scaffolding that may be used where there are larger areas with longer periods of access required.

During the construction phase, it is likely there will be 2-3 large capacity (16-23m3) waste bins being removed daily and sent to tip sites for sorting and recycling where possible. Whilst it is desirable to segregate materials for recycling, the site will probably use any available space for storage or assembly of elements, precluding site-based recycling operations.

POTENTIAL ADVERSE EFFECTS FROM DUST

Continuous water spray of areas that are exposed during the excavation works will dampen and minimise the potential for air borne particles to cause discomfort. All loads leaving the site will be covered and trucks washed down prior to exiting from the site. As the work progresses and other trades conduct the construction activities, in the first instance, pre-planning and preparation of workshop drawings will ensure the fabrication of formwork, pipework and similar materials will be

sized to the actual lengths and dimensions required. This will limit cutting of materials onsite such that should this be required for smaller elements; it will be carried out in designated partitioned areas that contain any dust and prevent the discharge of particles into the atmosphere.

08 DEMOLITION & CONSTRUCTION MANAGEMENT

DEMOLITION & CONSTRUCTION MANAGEMENT

DILAPIDATION SURVEY

The Design & Construct Contractor will engage a dilapidation consultant to carry out dilapidation survey prior to commencement of work. The dilapidation survey will cover surrounding buildings, pavements, fences, fixtures, landscaping, trees immediately adjacent to the site. It will be the responsibility of the Contractor to inspect and ensure the gates/hoardings are adequate for their intended use and maintained in good working order:

- Temporary hoarding and fencing that will have been installed to delineate the site boundary and protect buildings and roadways in Early Works will be checked and maintained by the Contractor.
- The site will be kept neat and tidy to maintain public safety and local amenity.
- Perimeter signage will be installed as required. The signage will be required to identify construction contact points and give notice prohibiting unauthorised entry to site.
- Roads, pathways, and kerbs likely to be damaged by construction or worker traffic are to be protected by temporary overlays and ramps.
- Supervision of the works will ensure that the safety of the public is maintained at all times.
- Public and property protection measures will be revised by the Contractor from time to time as required by changes in circumstances.

RESTRICTED AREAS

The site will be fenced to restrict public access with access points managed by the Contractor through traffic control systems including signs placed in clearly identifiable positions stating that unauthorised entry to the site is not permitted. The signs are to include an after-hours contact name and telephone number. All exclusion zones, as nominated by the Contractor will be properly indicated throughout the works.

No unauthorized persons will be permitted into the work area. All visitors will follow the Site Visitor Registration Procedure.

PERMITS

Due to the historical use of the site, any excavation or installation works will be undertaken under a strict permit system controlled by the relevant authorities and the Contractor.

The following indicative permits and approvals will be applicable to the works:

- Permit to erect awning over the road or footpath.
- Permit for a vehicular crossing (permanent or temporary).
- Permits for temporary disconnection/connection of services (obtain from relevant authority).
- Permit for a road opening.
- Permit for a road closure.
- Permit to use a mobile crane, plant and equipment or lift on road.
- Permit for works in adjoining land reserves.

INSTALL ENVIRONMENTAL & SAFETY CONTROLS

Environmental and safety controls will be installed by the Contractor prior to the commencement of any onsite works. These will include but not be limited to:

- Security measures (fencing and gate access).
- Occupational health and safety measures (personal protective equipment, first aid supplies signage and barriers) where required.
- Environmental management measures (spill kits, booms, storm water control, dust control, silt control, tree protection).

SITE ENVIRONMENTAL MANAGEMENT PLAN ("SEMP")

Site remediation is currently progressing through the South West corner of the site which is incorporated in the Site Environment Management Plan (SEMP) [9]. The SEMP will be updated before the excavation works commence.

SERVICES DISCONNECTIONS

The Contractor will be required to address the capping of some services as identified in the Dial Before You Dig (DBYD) Plan. There will be a number of services (sewer, stormwater, gas, and electrical connections) which will need to be maintained until new services are online, whereupon they can be disconnected and removed.

[9] Refer to SEMP Report "60598077 - MPDC Macquarie Point Development Corporation - Site Environmental Management Plan SEMP - Rev 1 - 17 November 2021"

A report by JMG has been prepared, “Services Report Macquarie Point Infrastructure Strategy… August 2024” that shows some of the services will need to be modified prior to earthworks commencing. As this is works outside of the POSS nominated zone and part of existing MPDC works program of Infrastructure upgrades, it will be carried out as an Enabling Works package, to avoid possible damage to the existing services and ensure the safety of the operatives. The works will be undertaken in accordance with relevant authority requirements and their approvals processes - i.e. TasWater approval will be sought for Sewer realignment and water Infrastructure upgrades for example.

The highlighted services are noted below:

SEWER

The existing main sewer line running through the site will be relocated by MPDC as part of an Enabling Works Package to outside the proposed new Stadium building line. The works will include laying a new relocated line followed by cutover and connection into the system, then removal of the existing line as part of demolition and site clearance scope.

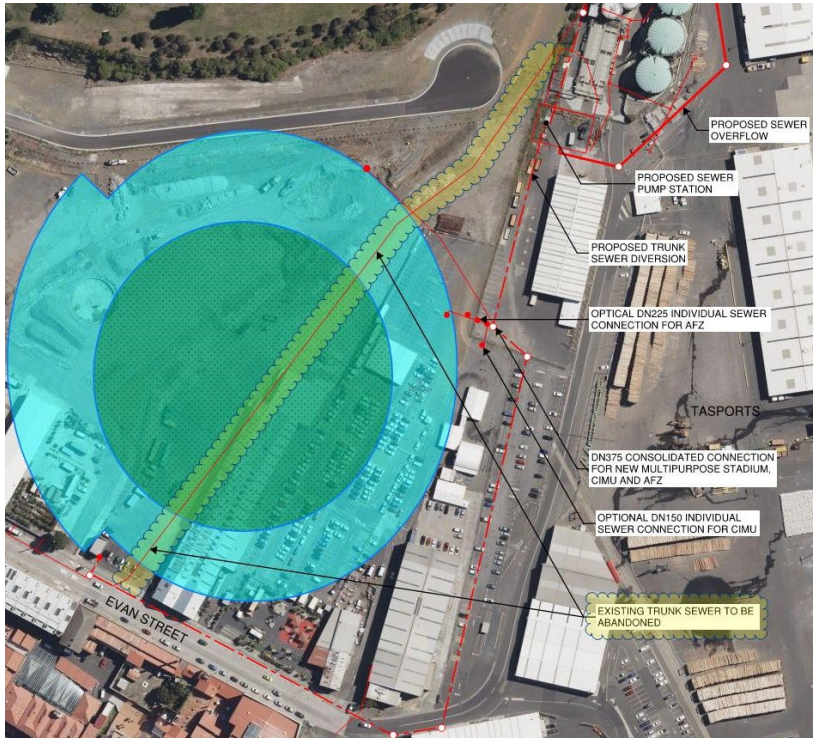


Figure 11 - Sewer Works (Subject to Survey & Locating)

The proposed stadium design for sewer reticulation will determine the need for pits and locations to connect into at a later stage as works progress.

HIGH VOLTAGE LINES

The previous route for HV cables has been modified to take the alignment away from the site of the proposed stadium. The location for the substation will be coordinated with the architectural plans, refer to section below (Figure 12).

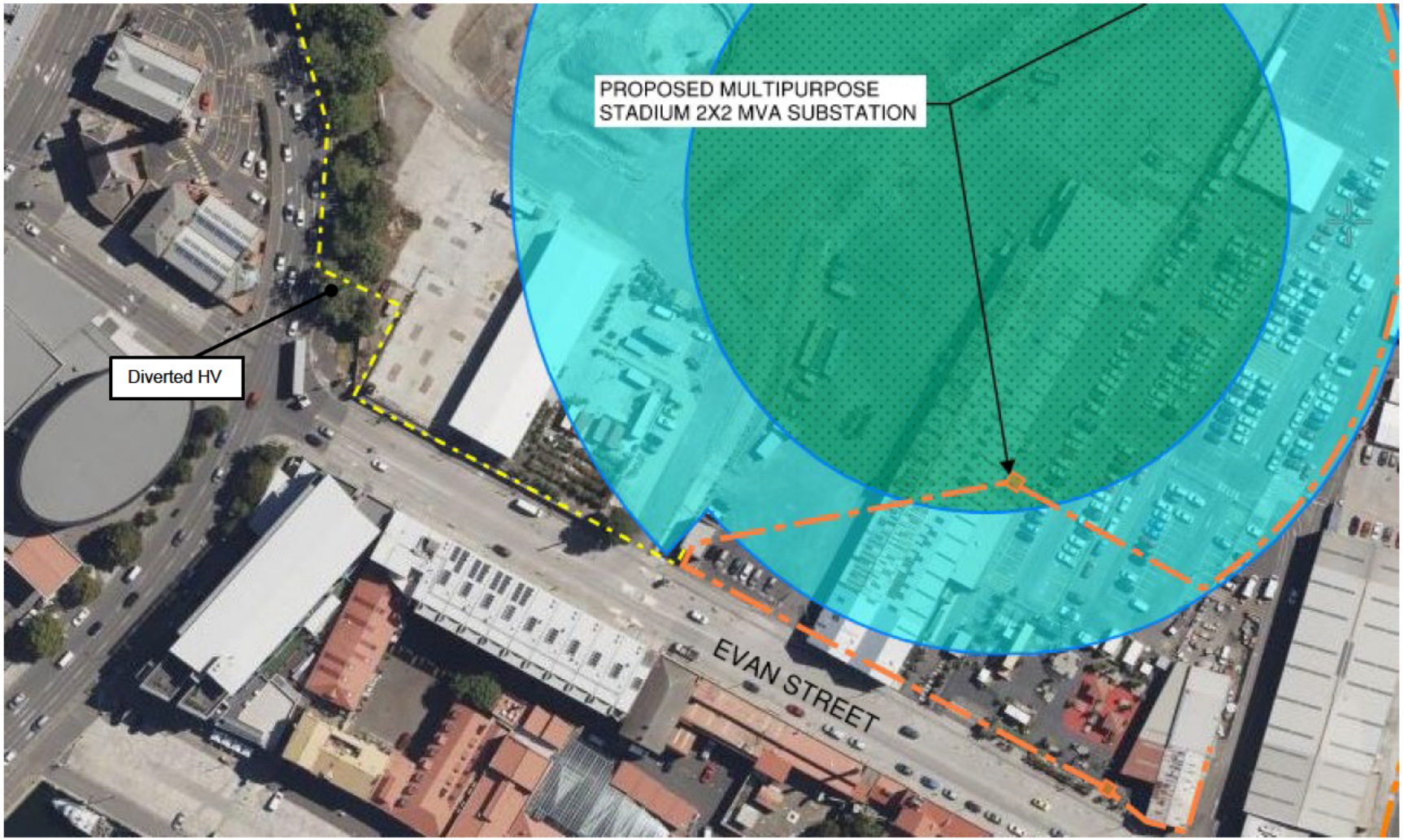


Figure 12 -Substation Upgrade (Subject to Survey & Locating)

The existing substation will be removed when the new substation, as part of the broader site Infrastructure upgrades, is commissioned by TasNetworks.

NBN & TELSTRA

The plans also show existing Telstra and NBN lines traversing the new works. Should the lines affect excavation, refer to section below (Figure 13), where they will need to be adjusted prior to the excavation being carried out as part of the main works package.

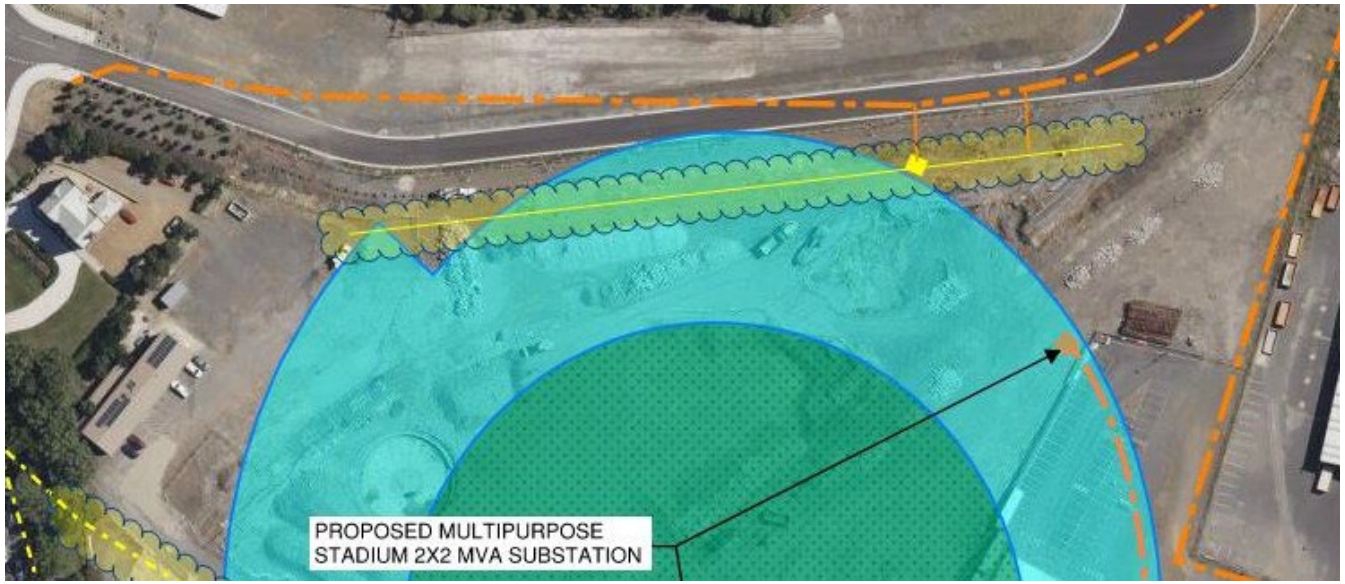


Figure 13 - NBN & Telstra Services Upgrade (Subject to Survey & Locating)

Other existing services will also need to be re-routed prior to commencement of excavation, to avoid damage or disruption to neighbours and minimize impact to the proposed stadium works as these existing services will be affected by the excavation or will affect truck access and egress from the site.

Any services diversion or removal will need to consider the impact on neighbouring properties.

The following principles will be adopted when disconnecting services:

- All service authorities will be consulted, and where necessary obtain relevant permits, prior to the works commencing to ascertain lead times and correct termination locations.
- All termination works should be undertaken in accordance with design engineers' specifications and instructions.
- All termination works should be undertaken by suitably licensed contractors.

REMOVAL OF EXCAVATED MATERIAL FROM SITE

The materials being won from excavation will be stockpiled on site; samples taken for laboratory testing. When results are received, the material will be loaded onto trucks for despatch to the appropriate tip site depending on the classification of the material by the environmental scientist.

Given the existing site levels and the proposed playing arena and concourse levels, it is calculated that up to 120,000m3 of material will need to be removed during excavation of the site. This equates to approximately 180,000 tonnes that will be transported from site at an average daily rate of 1,500 tonnes or fifty to fifty five (50-55) trucks per day running from 7.00am to 5.00pm Mondays - Fridays and 7.00am to 3.00pm on Saturdays at a frequency of one truck movement every 4 to 6 minutes for up to 180 days, or 7-8 months. It is anticipated that due to the nature of the excavated material being classified as contaminated that it will need to be disposed at designated tip sites that are licensed to accept this type of material. The travel distances in this instance are greater than would be the case if the material was classified as solid waste. As a result, whilst the number of loads remains the same, the number of trucks required to service the site during bulk excavation will be greater than if the material was able to be disposed at tip sites that can accept uncontaminated material. In addition to the bulk excavation, there is a significant amount of material from the piling operations that will be assessed by the environmental scientist for suitability as fill material to be spread on site or disposed off site if not acceptable for re-use due to the level of contamination or otherwise deemed unsuitable for engineering fill purposes. Based on the anticipated depth of piling and socketing into rock for the preliminary proposed stadium design, the volume of material is estimated to be 3.8m3 per pile, leaving the site at a daily rate of 2-3 trucks per day.

RESULTS OF SOIL ANALYSIS AND DESCRIPTION OF PROPOSED DISTURBANCE

Given the historical uses of the site, removal of soil contamination as well as any acid sulphate soil detected by analysis forms part of the bulk excavation strategy such that the site can be given a clearance by the environmental engineer. The results of soil contamination and acid sulphate soil analysis are covered under the AECOM report[10] In addition, any proposed routes for incoming new services will be reviewed to ensure removal of contaminated material. As a mitigation, the selective placement of any contaminated material as subgrade fill material under designated roadways will be adopted as necessary after finalisation of calculation of excavation volumes.

In order to control soil erosion and sedimentation during construction activity, a 2000m2 collection pit[11] will be positioned to take advantage of the natural fall of the site to capture surface run off.

PROPOSED CONSTRUCTION STORMWATER MANAGEMENT, MITIGATION STRATEGIES FOR THE RELEASE OF SEDIMENT AND CONTAMINANTS TO THE DERWENT ESTUARY

Use of a "cattle grid" and wheel wash bay style enclosure through which all site vehicles will pass prior to exit onto any public roads, will be mandatory. Stormwater run-off will be controlled during construction and roads kept clean of mud or other debris through regular cleaning, use of water hoses and inspection by the contractors. Hay bales, geofabric "socks" and other materials will be used around stormwater inlets and pits to prevent silting up and other materials being taken into the stormwater system.

[10] Refer to SEMP Report by AECOM "60598077 - MPDC Macquarie Point Development Corporation - Site Environmental Management Plan SEMP - Rev 1 - 17 November 2021"
[11] Refer to "**APPENDIX 1.0 – SITE ESTABLISHMENT PLAN**" - North & South Sediment Ponds

Concrete transit mixers will be instructed to wash chutes and any excess concrete into purpose-made pits for settling solids. There the materials will be collected via pump out or backhoe removal from the pit with recycling of materials and/or disposal after treatment. Water run through the settling pond will be tested so that only treated water that passes environmental guidelines will be allowed to be discharged.

The overall controls are designed to ensure monitoring of water quality from any usage on site and that there is no release of contaminants into the Derwent Estuary.

EXPECTED OVERALL AND DAILY QUANTITIES OF MATERIALS, MOVEMENT OF VEHICLES

As noted during excavation, there will be bulldozers pushing material up for the excavators to load trucks in a cycle that would involve up to, ten or twelve heavy vehicles on average, making forty truck movements per day allowing for loading and travelling of trucks to various tip sites.

The deliveries to the site will largely rely on the local road network around the precinct traversing through from the bridge crossing along streets designated trafficable for heavy vehicles. The movement of heavy vehicles will be avoided during office business hours to minimise traffic congestion.

Generally, works will be conducted in daylight hours as are likely to be approved in the development consent to allow any neighbours and the community to enjoy the Macquarie Point precinct without undue noise, dust or construction activity outside of those approved hours. No works will be undertaken on Sundays or public holidays. Land travel routes to and from that site as initially proposed are shown at Figure 4 above

In summary, there will be significant controls in place to ensure the works to the proposed stadium can be carried out in a manner that is both safe and also respectful of its immediate surroundings and with the least practicable effects on the community and environment whilst under construction.

APPENDIX 1.0 – SITE ESTABLISHMENT PLA


Hoarding modified to Allow Trucks to Queue
Basement Carpark with Independent Access Below - works staged with haul road and sediment pond use
North Sediment Pond - Sewer & Stormwater adjacent 1210 m2
Excavation Zone
LEGEND
A Class Hoarding
B Class Hoarding
Truck Entry & Exit
Amenities
7m Wide Internal Haul Road
Approximate Line of Excavation
Sediment Pond - Sewer & Stormwater adjacent
Amenities Zone - Sewer Adjacent
Amenities Zone - Sewer Adjacent 3232 m2
Existing Substation to be protected until new substation is established
B Class Hoarding on Footpath to Facilitate Public Safety for Construction of Level 0 to Roof - if Footpath Remains Open
Temp. Vehicle Crossover
South Sediment Pond - Sewer & Stormwater adjacent 1007 m2

Appendix A

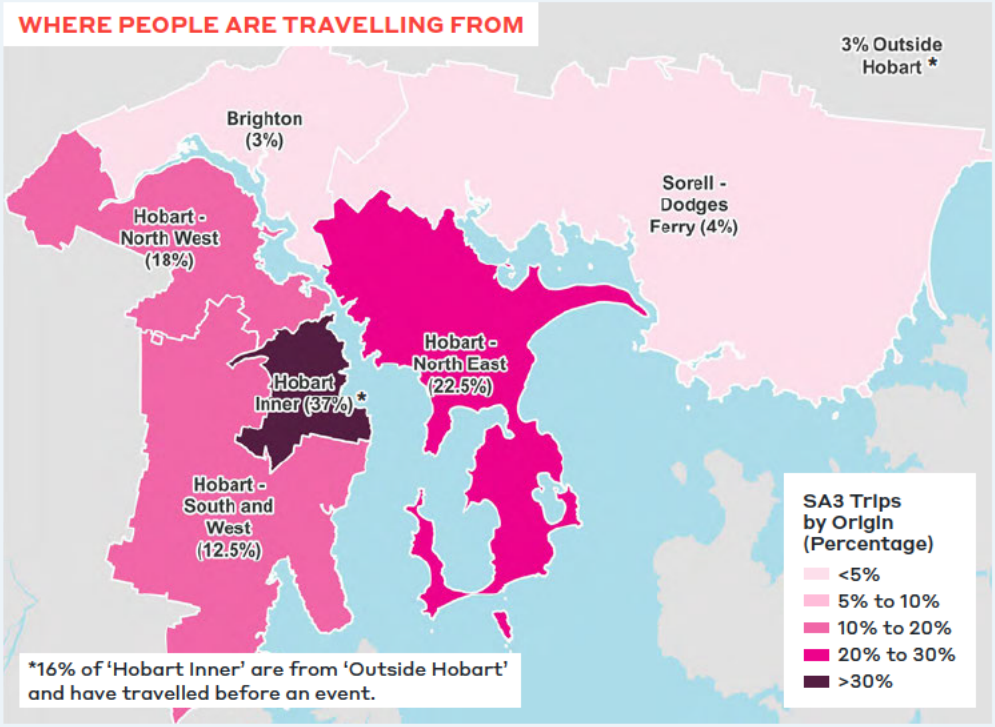
Transport Study Executive Summary

EXECUTIVE SUMMARY

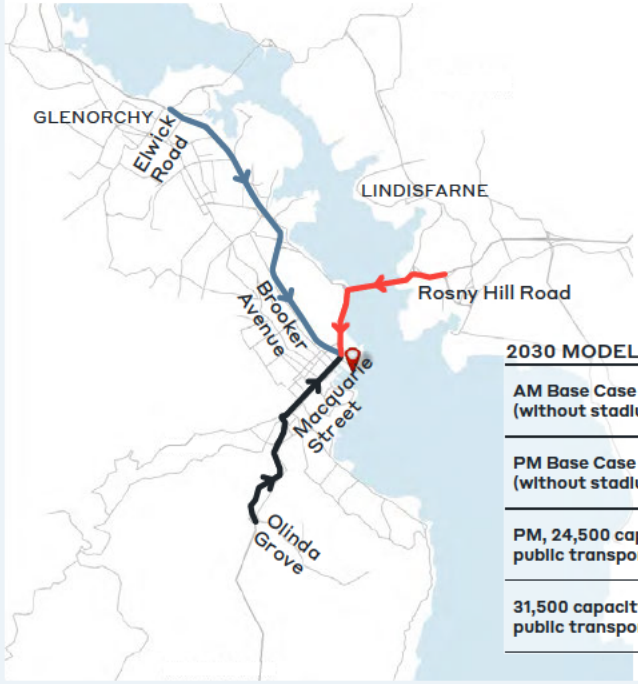
Macquarie Point Multipurpose Stadium Transport Study

Implementation Plan

WHERE PEOPLE ARE TRAVELLING FROM



MODELLED 2030 TRAVEL TIMES (INBOUND)



2030 MODEL SCENARIOS	TRAVEL TIME IN MINUTES → Tasman Highway	→ Southern Outlet / Macquarie Street	→ Brooker Highway
AM Base Case (without stadium)	11	14	15
PM Base Case (without stadium)	4	8	9
PM, 24,500 capacity (target public transport mode share)	7	10	11
31,500 capacity (target public transport mode share)	8	10	12

HOW PEOPLE WILL NEED TO TRAVEL

31% BUS
(includes public bus, rapid bus and park and ride sites with event bus services direct to the stadium)

30%
PICK UP/DROP OFF AND SELF-DRIVE
(leverages existing parking in the CBD)

22% WALKING
(includes residents and visitors staying in CBD hotels and with family and friends)

10% TAXI AND RIDE SHARE
(may include local trips and airport arrivals)

3% CYCLING AND MICROMOBILITY
(includes scooter hire)

2%
PRIVATE COACH AND CHARTER BUS
(may include trips from regional Tasmania and airport connections)

2% FERRY
(includes existing and expanded services)

BENEFITS OF A CBD LOCATION

- Close to shopping, bars, restaurants and entertainment to help flatten ingress and egress profiles.
- Close to existing active transport links, bus stops, ferry wharf and CBD parking.
- Leverages proposed rapid bus routes and stops, new active transport links, expanded ferry network.
- The precinct allows for a dedicated on-site event bus plaza.

SUPPORTING MEASURES REQUIRED

A travel behaviour campaign with the Tasmania Devils and Hobart Hurricanes as the face of the campaign.

Coordinated planning between agencies and transport providers.

A range of projects to improve the experience of spectator travel and its efficiency.

EXECUTIVE SUMMARY

Local Area Transport and Traffic Plan

Event scenario

ACTIVE TRANSPORT

- Active Transport Bridge
- Permanent Bike and Scooter Hoops
- Temporary Secure Event Bike and Scooter Parking
- Shared-mobility Hub
- 2029 Cycle Network
- Encourage Diversion
- Dismount During Events

BUS

- Event Bus Plaza
- Hobart City Bus Mall
- Event Bus Routes

FERRY

- Ferry Wharf
- Pedestrian Route to Ferry

PARKING

- Public Parking
- Permit Parking Only
- Glebe Parking Restrictions

LOCAL AND MANAGED ACCESS

- Port Access
- Premium / Corporate Parking, Teams and Officials, Deliveries Access
- Disability Drop Off / Pick Up
- Vehicle Permit Check (Indicative)
- Managed Intersection
- Road Closure / No On-street Parking
- Impacted Private Access
- Permitted Vehicles Only