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THE LEGISLATIVE COUNCIL SELECT COMMITTEE MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON THURSDAY 27 NOVEMBER 2025

INTEGRATED ASSESSMENT REPORT HEARING

The committee met at 1.00 p.m.

CHAIR (Ms Webb) - Welcome, everyone, to the Legislative Council Select Committee on the Tasmanian Planning Commission's (TPC) Integrated Assessment Panel and their work.

Welcome to today's hearing. We are a large committee. I will introduce you to our members at the table. First I will mention that Sarah Lovell, member for Rumney, is an apology for the first part of the hearing and will join us later.

Working from the end of the table, we have Mr Edmunds, member for Pembroke; Mr Gaffney, member for Mersey; Mr Harriss, member for Huon; Mr Hiscutt, member for Montgomery; Ms O'Connor, member for Hobart; I'm Ms Webb, member for Nelson; Ms Thomas, member for Elwick; Ms Forrest, member for Murchison; Ms Armitage, member for Launceston; and Ms Rattray, member for McIntyre.

We also have assistance today from our staff: James, the secretary for the committee; Ali assisting; and Terry from Hansard. Thank you for that assistance.

Can I please ask you to state your name and the capacity in which you're appearing before the committee and introduce the team here?

Mr TURNER - I'll make sure that the microphone is near so that things are recorded. I'm Paul Turner. I chaired the panel of delegates appointed by the Tasmanian Planning Commission to conduct the integrated assessment and, ultimately, to produce the two reports, the integrated assessment report and the recommendation report, under section 26(1) of the *State Policies and Projects Act*. What I intended to do with -

CHAIR - At the moment we want to have your name and the capacity that you're here. Then we'll move on to the other formalities.

Mr TURNER - Okay, thank you. I will introduce Mr Gary Prattley, another member of the panel, Ms Lynn Mason, Ms Shelley Penn, and Mr Martin Wallace.

CHAIR - Thank you very much to all panel members. Can I confirm that each of you have received and read the information for witnesses guide sent to you by the committee secretary?

WITNESSES - Yes.

CHAIR - Excellent, thank you. I need to do some of our formalities. All evidence taken at this hearing is protected by parliamentary privilege, allowing individuals to speak with freedom without fear of being sued or questioned in any court or place out of parliament. I remind you that any comments you make outside of the hearing may not be afforded such privilege.

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This hearing is public, which means members of the public and media may be present. The evidence you present is being recorded, and the *Hansard* version will be published on the committee website when it becomes available. The hearing is also being broadcast. Should you wish some or all of your evidence to be heard in private, you must make that request to the committee and the committee will consider your request.

This committee is taking sworn evidence, so we're now going to ask you to take the statutory declaration in front of each of you.

Ms PENN - I'm only half-Tasmanian; I'm actually not a Tasmanian resident, so I was advised that it's not appropriate for me to make that declaration. Is that correct?

CHAIR - Yes, that's true, thank you.

Mr MARTIN JOHN WALLACE, Mr PAUL TURNER, Ms NORMA LYNN MASON, and **Mr GARY NOEL PRATTLE**, MACQUARIE POINT MULTIPURPOSE STADIUM PANEL, TASMANIAN PLANNING COMMISSION, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - In a moment I'm going to ask you to make an opening statement if you wish to do so, and then we'll move on to questions from the committee.

I'm going to note before we begin that this is an unusually large committee of 11 members and five witnesses, and we're examining a substantial report on complex matters in a limited time this afternoon. I'll be mindful of trying to ensure that all members - who wish to - have the opportunity to ask questions when they desire to do that. We're going to be mindful as best we can of making our questions as brief and effective as possible.

Typically in a committee hearing like this, sometimes questions are taken on notice for answers to be provided later. The timelines of this committee are awkward on that front because we're reporting very shortly, early next week, so we'll probably try to avoid having questions taken on notice. If something did come up to be taken on notice, it would be on the understanding we would get the answers tomorrow at the latest - just to clarify that.

In terms of the focus of the committee, I'm going to make a statement now in regard to the formation of the committee and the order from the Council, which outlines the scope of the matters we'll be talking about today.

Just to be clear, we established this committee to be informed by the members of the Tasmanian Planning Commission Independent Expert Assessment Panel here as witnesses and with regard to the following things:

- the panel's Integrated Assessment Report dated September 2025, and the Recommendation Report dated September 25 (the reports);
- the content, findings and recommendations in the reports;
- the methodologies the panel used in conducting their assessment; and
- the data and evidence the panel relied upon in making their assessment findings and recommendations.

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We will be directing our questions to that scope. If you think that we're going beyond that, or there are some issues about the scope of our questions, we can discuss that and find a way through it at the time, if members are comfortable with that. Thank you.

Would you like to make an opening statement before we move on to questions?

Mr TURNER - Yes, I would. I'll be brief, but before doing that, we had a discussion earlier this morning about introducing ourselves so that the members of the committee might have an understanding of the background and experience of the individuals. I'll invite Mr Wallace to do that first.

CHAIR - That's fantastic, thank you.

Mr WALLACE - My summary CV is on the Tasmanian Planning Commission website. I'm a former secretary of the Department of Treasury and Finance and have extensive experience in many of the matters which we had to consider as part of this process, particularly public finance and economic analysis.

I also have a particular background in a number of things that were involved in this. I've been involved directly or indirectly in many of the major infrastructure projects that have taken place in Tasmania in past years, such as the Tamar Valley Power Station, Basslink, the optical fibre network throughout Tasmania, and gas.

I started my career as an economic modeller so I'm very familiar with input-output models and general equilibrium economic modelling. In fact, I built an extensive input-output model of the Tasmanian economy.

Over the last several decades I've spent a lot of time analysing what's happened in Tasmania, what creates economic benefit and what doesn't, but also in the area of social services - social benefits, social costs, et cetera. That's probably all I need to say.

CHAIR - Thank you, Mr Wallace.

Ms Penn, before you begin your introduction to us, we've just clarified a matter of our arrangements here and we will need you to do your statutory declaration after all. Would you mind doing it for us now before you introduce yourself? Thank you - it's because you are here in person. Even though you reside elsewhere, you're here in the state today giving us evidence. If you were online, we wouldn't need to.

Ms PENN - Okay. I'm grateful, because I wanted to find some other way of assuring the committee.

Ms SHELLEY PENN, MACQUARIE POINT MULTIPURPOSE STADIUM PANEL, TASMANIAN PLANNING COMMISSION, WAS CALLED, MADE THE STATUTORY DECLARATION, AND WAS EXAMINED.

CHAIR - Thank you. By all means, please tell us a bit about yourself.

Ms PENN - Thank you. I don't want to bore the committee, but I do a mix of things. I'm an architect and an urbanist and have more than 35 years' experience in those roles, including

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15 years in architectural practice and more than 25 years as an independent expert adviser on public infrastructure and the built environment. That has included writing criteria for leading, advising and assessing on major public infrastructure, architectural and urban design outcomes throughout Australia across a range of models, including public-private partnerships (PPP), alliances, design-and-construct, and other contract models.

Some relevant roles I want to flag include that I was chair of the National Capital Authority; I was national president of the Australian Institute of Architects; I was deputy chair of the Heritage Council of Victoria; I was a board member at the Office of Projects Victoria, working with the Department of Treasury and Finance and reporting to the Victorian Treasurer, overseeing all the high-risk, high-value projects the state was delivering at the time; I was the associate Victorian Government Architect reporting to the Premier, and in that and other roles I've led design, review, competition and bid evaluation of urban design and architectural proposals for large and small projects such as Melbourne Olympic Park, Melbourne Convention Centre, Circular Quay redevelopment, Sydney Fish Markets, the Westgate Tunnel, and others.

A couple of other ones I want to flag: I was a non-executive director at Southern Cross Station Proprietary Limited, which is a fairly significant railway station I think you're aware of. We were managing the asset which was owned by the PPP concessionaire, which is IFM investors.

I was non-executive director and deputy chair of the Suburban Land Agency, the statutory agency responsible for land release and development in the Australian Capital Territory.

Currently, I'm a commissioner at the Independent Planning Commission of New South Wales. I'm Chair of the Housing and Community Infrastructure Program board for the Australian Capital Territory government. I'm an independent adviser to the Director-General for the Victorian Infrastructure Delivery Authority which oversees all major road, rail and health projects. I'm an adjunct professor in architecture practice at Monash University and associate professor in architecture at Melbourne University. Thank you.

CHAIR - Thank you, Ms Penn.

Mr TURNER - And you're also a member of the Order of Australia on account of services, too.

Ms PENN - I can't remember the citation.

CHAIR - One of those things mentioned above. At least one.

Mr TURNER - Ms Mason?

Ms MASON - Thank you, Paul. My name is Lynn Mason. My background is in local government, as a great number of you would know. That's both Tasmanian local government and also Flinders Island and national local government. I'm here because my knowledge of the community through that connection with local government is what I think gives me a chair on this panel. I do understand community reasonably well. I've got a reasonable amount of acumen in dealing with budgets, planning matters, and also in dealing with - particularly through

Flinders Island, but also through the Tasmanian models - Aboriginal affairs. I think that experience is what I have brought to this panel.

I've been chair of Metro, so I know something about bus transport and its difficulties, and also the Tasmanian Community Fund, and a few others as well. Independently, I've been Australian Business Owner of the Year, which I only throw in because it does mean that I am used to analysing things and understanding whether something's going to run at a loss, run at a profit, and whether it's a good idea, or whether it's supportable or not, put it that way.

Mr TURNER - You've also been too modest. You are a member of the Order of Australia, too, for services to local government.

Mr Prattley?

Mr PRATTLE - Thank you. I have been a planner and planning practice for 58 years and still practicing at 81. I'm a Life Fellow of the Planning Institute of Australia. I was the last recipient of the Sidney Luker award, which I think has only been awarded 18 times, for notable contribution to state and regional planning across Australia.

I was deputy commissioner in Tasmania - I think 1988 to 1993 - and also director of the Planning division, so in charge of the Planning division, under John Ramsay, and it was a mega-department. I've been chief executive of the National Capital Planning Authority in Canberra, which was the predecessor of the body, and also chief planner and Director of Planning, or head of the Planning agency, in the Australian Capital Territory government. I was secretary of the ministry for Planning in Western Australia and came back to Sydney as Executive Director of Metropolitan Planning and Executive Director of Major Projects.

I later went back to Perth as chair of the Western Australian Planning Commission, which is a full-time job. I was, I think, on 28 high-level committees and chairing 18 of them, stretching from Margaret River up to the Kimberley, so a pretty hands-on role. Previously, in Victoria, I was in the Ministry for Planning and set up the Upper Yarra Valley and Dandenong Ranges Authority.

Currently, I'm chair of a small consulting group of strategic planners and economists, and we specialise in strategic planning and economic analysis for projects. I guess our focus is on how do you actually make things work and how do you deliver things. That is the area we concentrate in.

So, yes, 58 years and I'm still enjoying it - mostly.

CHAIR - Thank you, Mr Turner. Did you want to add anything? I brought you up short earlier when you were introducing yourself to us.

Mr TURNER - I'm last, and on account of the impressive CVs that have been expressed, most definitely the least.

I'm a litigation lawyer; I chaired the panel. I've worked as a litigation lawyer in excess of 40 years. I was for 30 years in the Crown and was responsible for the conduct of litigation on behalf of the state and individuals employed by the state, including entities of the state such as the Tasmanian Planning Commission, for example. A large chunk of my practice consisted and

continues to be in the spheres of planning law, environmental law and public administrative law. I've appeared in many tribunals in this state: Resource Management and Planning Appeal Tribunal, the Tasmanian Civil and Administrative Tribunal courts, the Supreme Court and the Full Court of the Supreme Court. I have also appeared in the High Court in relation to a planning matter. So, I've got extensive legal experience in relation to those sorts of things.

I'd like to make a few comments, if I may, in relation to us appearing today. We were appointed as delegates of the commission to carry out the functions and powers under Part 3 of the *State Policies and Projects Act*. Essentially, that was to conduct the integrated assessment which is contemplated by that act, in relation to the Project of State Significance which was declared by Her Excellency. The actual order is Attachment A to the final Integrated Assessment Report which we prepared.

I want to say a couple of things about the integrated assessment demanded by the act. The first is that it's essentially defined as being a consideration of the economic, social, community and environmental issues relevant to the project. Now, the project is a bit wider than just the stadium, but the major component of it is, in essence, the stadium, so that's what we're really speaking about.

The process embarked upon - and I don't propose to go through it in chapter and verse, unless someone wants to hear from me - requires ultimately the production of an Integrated Assessment Report. That follows a draft having been prepared and exhibited, and invitation extended to anyone to make any representations they see fit - and a lot of them were made. Each of those representations has to be 'considered' - that's the word that's used in the act - and the consideration for most of those was by way of reading and looking at them accordingly; some didn't require a great deal of consideration, in the sense that they were very brief, others were quite lengthy. We formed the view that some 29 of the representations raised issues which needed to be considered by way of public hearing, which was conducted in July of this year.

At the conclusion of the process, the act requires both a final Integrated Assessment Report, which I've referred to - which I see that members of the committee have - and additionally, under section 26(1), it required that a recommendation be made to the minister, the honourable Mr Kerry Vincent, as it happens. Noting that, at the outset, the responsible minister was in fact the Premier.

The recommendation is binary, that is, it can be one of two things. It can be to recommend that the project proceed, and if so, then on what conditions, or that it not proceed. Plainly, we reached the conclusion that the project ought not to proceed for the reasons which are expressed very briefly in the recommendation report and in a more comprehensive manner in the Integrated Assessment Report.

You will see that we signed off on the reports on Monday 15 September. The reports were in fact delivered to the minister on Tuesday 16 in the morning. That preceded a Cabinet meeting, I apprehend. It was published on the 17th. At that point our role as delegates ended. We had done what we were tasked with doing. We had been appointed by the commission itself for those purposes.

I want to say a couple of things that are relevant, I think, to the fact that we are no longer a panel of delegates; we happen to be the people who used to be.

In the week preceding us finalising the reports, we discussed what should be done, if anything, following publication of the reports because, plainly, and we were acutely aware, they would excite considerable public interest. We resolved that we would not be making any comment about the reports or saying anything about them to anyone for a number of reasons. I just want to express those in brief.

The first is that it has not been the practice of the commission to do that. In other words, it produces a report, or it produces a decision, with reasons. It doesn't then comment on those things. That's not the practice.

Secondly, we're no longer the delegates. We've got no further formal relationship, if you like, with the commission.

The third reason is that we had endeavoured very hard, really, to make sure that the reports were as comprehensive and as readable as they could be, so that they stand alone for purposes of speaking for themselves.

In addition, we thought there's always the potential - if you're giving a briefing or you're making a comment - for that to be taken out of context or someone taking from it a meaning that is not necessarily meant to be conveyed. We rely upon the reports for that purpose.

There was potential also, we thought, for perhaps reputational harm to the Tasmanian Planning Commission if we did that sort of thing, because if you accept an invitation to brief one person but not another, or alternatively if one receives the benefit of a briefing and someone else does not, there might be the suggestion made that somehow the delegates, the panel, were preferring the interest of someone that they're briefing, or that they're somehow being not open and transparent.

We were acutely conscious of that, having regard to the fact that when the draft Integrated Assessment Report was prepared and made public, there was reference in it to the report that had been prepared by Dr Nicholas Gruen. Dr Gruen was criticised; it was contended that he was biased for reasons we don't need to explore, but criticism was levelled at the commission on the basis that it was 'ostensibly biased' on account of having, in the draft integrated assessment report, reference to Dr Gruen's work.

You will observe that we don't refer to that in the final Integrated Assessment Report. It was there for comparative purposes, and it was not relied upon, apart from one respect which concerns some costings which had been furnished to Dr Gruen from a quantity surveyor, I think, Martin -

Mr WALLACE - An independent quantity surveyor.

Mr TURNER - An independent quantity surveyor - so, it was only relied upon for some numbers which had not been forthcoming otherwise to us. We didn't consider, and we don't consider, that there was any strength or veracity in the notion that somehow we were tainted by association with Dr Gruen. We didn't want to give, under any circumstances, the impression - which would be wrong - that we somehow preferred someone to another: we don't.

So, for those reasons, we resolved that we would not be doing that. It's regrettable that when an approach was made by Mr Martin, the chief of staff of the honourable Mr Willie, that

the response from the executive commissioner was perceived to be, say, curt or a bit brusque. It wasn't meant to be. It was simply to convey, and didn't do in the detail that I have, the fact that the panel was not going to embark upon that sort of thing for those reasons. I hope that might allay the concerns that have been expressed in relation to that.

At the same time, we discussed that we might be required to attend before parliament or a committee. The one we had in mind - on my mind anyway - was the Public Accounts Committee, so this was always sort of in the mix. Again, we resolved that we would attend, certainly not reluctantly - we're not reluctant participants here - but we would need to attend in circumstances where we were required to do so, hence wanting to be summonsed.

That's in the interests, we think, of what we have tried to do, and I think we have done throughout the course of the process, which is to be as open and as transparent as we possibly can be; as is evidenced, for example, by the publication on the website of all the things that have been germane to ultimately producing the two reports. For example:

- the draft guidelines, which occurred in December;
- the submissions that were made - and there are a lot of them, over 400 - in relation to the draft guidelines;
- all the correspondence;
- the materials from the Macquarie Point Development Corporation (MPDC), they are voluminous; and
- the representations that were made - again, I think over 800 from memory - in relation to the draft report.

So, we've been at pains - and when I say 'we', I'm not meaning just the members here, but the commission - to ensure that all the information that was before us is available to everyone by means of going onto the website and looking at it.

Unless there's something further that you want to hear from me about, I'm happy to now hand over and for questions to be asked. One of the reasons for inviting each of the members of the panel - former panel, former members - to give their brief resumes is to give an indication of their area of expertise. Plainly, the economic stuff is within the bailiwick of Mr Wallace; and for a good deal of urban design, architectural design and the like there's Ms Penn; and with Mr Prattley being a person of long experience in planning and strategic planning and the like. I hope you appreciate from these introductory remarks and from what has been said that the panel has a mix of expertise, which we think was appropriate for purposes of the task that we undertook, I will say very seriously indeed. We were always mindful of the importance of this.

In case it doesn't raise its head, the most important thing for us at all times was the safety of people going to and leaving the stadium: that's the critical issue. Of course, there are other very important issues, but they're not ones that you can sort of say, 'Well, we'll ascribe 10 points to that, and 20 points to that'. It's ultimately a matter of looking carefully at the evidence. In that regard, we think that we have considered and properly analysed the factual material as opposed to things which might be considered to be beyond that.

We were always concerned with empirical evidence. We were always interrogating ourselves about, 'What's the evidence for the proposition that is being advanced?' We consider perhaps - I won't say immodestly, I think - we have sifted through the materials, we have

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considered the facts; we have - using our respective areas of expertise and experience - analysed those things, and we have reached the conclusions, which could be said to be opinions, but they are ones which are valid and which have weight as opposed to the expression of a view which is not supported by empirical evidence. That's all I've got to say at the moment, thank you.

CHAIR - Thank you, Mr Turner, I appreciate that. That's a good contextualising opening statement for us now to embark on our areas of questioning. I will go first to Mr Edmunds who I think had some overarching questions.

Mr EDMUNDS - Thank you, Chair, and I appreciate some of the opening statements. You have obviously watched the debate when we spoke about this in the parliament.

Mr TURNER - We were furnished with the transcript and read that.

Mr EDMUNDS - After the report was released, there was a request from the Labor Party on 18 September, which was replied to that day, that said, 'The commission was of the view that the report spoke for itself and it would not be consistent with the commission's independent status to accept the request', and it was obviously not appropriate for the commission to be involved in the political debate and declined the request.

Now, I understand, about 40 days later there was a request from another member of parliament, the Chair of this committee, which was replied to on 31 October, which said, 'On behalf of the panel, panel members would be prepared to respond to any formal request from the House of Parliament' - et cetera, et cetera - 'to answer questions in relation to deliberations and the contents of both the reports', et cetera.

I think you went part the way to it, and I don't want to bog the committee down, but what changed in those 40 days in terms of the response from one member of parliament to another?

Mr TURNER - There was no change at all. As I indicated, we had contemplated in the week preceding producing the reports a request to attend before parliament and we had resolved that we would do so if that was a formal request. And so, that's what's explained there. It perhaps could have had more detail. As I said before, I can't speak for Mr Ramsay, but I know him quite well and I'm very confident that he would not by that have meant to be seen to being brusque or otherwise.

There was no change. We were always, if required, going to come along. We were not going to not do that.

Mr EDMUNDS - So, was the request on 28 October to appear before a committee or to provide a briefing?

Mr TURNER - I can't recall, but I think it was in the context of Ms Webb having indicated that there would be a committee, or at least would be putting forward a motion for a committee to be formed for that purpose. It was in anticipation of that, from memory, and, of course, the history is that a motion was put up and it was passed.

Mr EDMUNDS - Yes, that's what I'm trying to figure out, because in the correspondence it basically refuses a briefing and says a similar request has been declined - okay, so we've both

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requested a briefing, but then it goes on to suggest the parliamentary committee. Was the genesis of the idea of the committee the member or the panel's?

Mr TURNER - We have no role in relation to that.

CHAIR - That's a question that could have been put directly to me as Chair -

Mr EDMUNDS - It was.

CHAIR - I looked for a solution that would provide an opportunity for the panel members to be able to interact with MLCs in this way about their work. Clearly, a formal parliamentary mechanism was going to be the most appropriate given that the briefings weren't available on an informal private basis, so that was the discussion held.

Mr EDMUNDS - And, to be fair, I did raise this question during the debate and was told to bring it up in this forum, which I have.

Did any other members of parliament request a briefing on the report?

Mr TURNER - I say no, because I asked Mr Ramsay yesterday and he informed me that there had only been the one request for a briefing, which was from, or assigned by, Mr Martin. He didn't mention Ms Webb's. I think I've seen all the correspondence, but to be blunt with you, I can't recall the exact terms of it, so I can't remember if a briefing was actually asked for or not.

Mr EDMUNDS - Again, I don't wish to bog the committee down, but -

Ms O'CONNOR - You are.

CHAIR - We will have one more exchange on this.

Mr EDMUNDS - Yes, I've only got one more question. When the decision was made to provide this correspondence on 31 October, do you think it perhaps might have been appropriate to have provided the same advice to the other party which had requested a briefing?

Mr TURNER - You're putting me on the spot because I haven't had time to think about this, but you've got to remember that the correspondence is going to Mr Ramsay as the Executive Commissioner, so it's a matter for him.

Mr EDMUNDS - In both of his correspondences, he did say he was responding on behalf of the -

Mr TURNER - Yes, of course, but it's a matter for him, because we don't have any role. He had circulated the correspondence to us and invited comment. So, to my mind, he's simply responding directly to the person who has made the request and, in the context, as I said, of it being contemplated that there would be the committee, as has occurred, and that there would be a formal process, as has occurred.

CHAIR - I might bring this line of questioning to an end, if I may, Mr Edmunds, just for time purposes. To clarify, the plain response to me was that there wasn't an informal way to

receive a briefing. It was my instigation to say, 'Is there a formal way we can do it?' Maybe if the first request had been followed up with a question about whether there was a formal way to do it, that would have been gone ahead with, potentially.

I'm going to move on. We're going to go into some sections of the report and begin to make our way through, if I may.

I'm going to throw to Ms Thomas with the first set of questions around project scope and assessment.

Ms THOMAS - Yes, thank you, and maybe the assessment process. On page 7 of the report, it talks about the assessment process and says:

The Commission must undertake an integrated assessment of the Project in accordance with Part 3 of the *State Policies and Projects Act 1993* (SPP Act).

The SPP Act specifies that the integrated assessment -

(a) must seek to further the objectives set out in Schedule 1;

I will just stop there at that point.

On page 6 of the recommendation report, your commentary says:

It is accepted that the site is ripe for development, and that any development will change its present character, which is that of a largely vacant and disused industrial site and former railyards.

In conducting the integrated assessment the Panel 'must seek to further the objectives in Schedule 1 [of the SPP Act]'. One of those objectives is:

to provide for the fair, orderly and sustainable use and development of air, land and water;

It goes on to say:

The Panel has concluded that the adverse effects are unacceptable. The Project will not be a 'fair' development ...

I'm just interested in looking at Schedule 1 of the SPP Act. 1(b) refers to:

(b) to provide for the fair, orderly and sustainable use and development of air, land and water;

As you've referred to. I'm wondering if you could outline, I guess, your focus on that particular objective in Schedule 1, and what consideration was also given to whether the project meets the other objectives set out in Schedule 1?

Mr TURNER - This was the most apt of the items in the schedule, and had primacy for that purpose. The consideration, I think - and other members can certainly jump in if

necessary - was in the context of all of the issues that have been identified in the Integrated Assessment Report concerning - well, you can go through the headings. On the list there's the economic issues and the urban form and transport, et cetera. When all those things are taken into account, the conclusion was that the project, the stadium, did not fall within that particular provision of the schedule.

Ms THOMAS - Thank you. Did the panel consider that the project met any of the objectives set out in Schedule 1?

Mr TURNER - I think it's fair to say that some aspects of the project could be said to fall within one or more of the multiple parts of the schedule, but the overwhelming thing was as we've articulated.

Ms THOMAS - Thank you. In terms of your findings, the conclusion that you came to is that:

The fundamental problem is the size, location and geographical features of the site, in its highly valued context, do not support the disproportionately large, monolithic building proposed.

Also:

In addition, the Project represents a significant net cost and will diminish the economic welfare of Tasmanians as a whole ...

I'm interested in whether there was any weighting given to those findings, when the language used is 'the fundamental problem'. Is the fact that the project will diminish the economic welfare of Tasmanians equally of concern to the panel, or is one more important than the other?

Mr TURNER - I understand the question, I think. As I said before, we didn't embark upon a process of giving a rating or a number to things and then having some sort of matrix and adding it together. What is the more important of those two? Well, I don't think you can - again, I'll invite other panel members to disabuse me of this, but you just can't separate them. They're all integrated together. It's like trying to unscramble an omelette. They're in there.

What we meant to convey by the recommendation report was a very brief summary, as it says. Which is more important, the economics or the other things? For our purposes, we can't say one is more important or less. If you do that, you get into picking through and trying to ascribe some sort of particular value to this and that, et cetera, but ultimately, they're all important. They're the most important.

We interrogated ourselves at some length in relation to, 'Well, what if the economics were such as to have a benefit-cost ratio of, say, 0.87, or close to 1 or more?' Mr Wallace can speak to this far better than I can, but there's reference in our report to, I think, the Allianz Stadium in Sydney, which had a benefit-to-cost ratio of less than but close to 1, and it proceeded. The observations that we have made are to the effect of if you get to that sort of number, then yes, you can say this is justified on a welfare basis because of the numbers. However, when you get down to the sorts of figures that have been published - Dr Gruen's at 0.44, KPMG at 0.69, MI International at 0.4 somewhere, and ours at 0.45 - and all those are based on costings far less than the \$1.13 billion that was announced by the Premier on

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17 September, in circumstances where, I would like to remind the committee, the figure that had been furnished to us in July was substantially less - I think it was \$945 million -

CHAIR - Yes, \$945 million was the figure you worked on in your report here.

Mr TURNER - We interrogated ourselves about - let's say it was 1 or plus; would that be sufficient, in the mix of everything, in the consideration of all the materials, be such as to make a recommendation that the project proceed? We struggled.

Likewise, we said, 'Well, let's take away the other many disbenefits that we've identified. Let's take those away one by one. Would it make any difference?' In the end, I think it's fair to say that we said, 'We just have to deal with what we've got with the empirical evidence before us, rather than to look at hypotheticals.'

Ms PENN - Can I contribute? Sorry to interrupt, Chair and panel.

Mr TURNER - Please.

Ms PENN - This is just another way of answering that and it's not at all to disagree with Paul's statement.

By way of illustration, with the draft report we produced on 31 March, there was quite a number of issues we had significant concerns about and others that we had less concerns about, we felt could potentially be managed, or were not a problem. In response to that, we had hearings, as you've heard and understand, and we assessed and received more information from the proponent that clarified and resolved some of those things. In a number of cases, and they're in our IAR (Integrated Assessment Report), we were still concerned about a number of them, and they are reported there, but we felt they could be managed, whereas, for example, in the draft report, we didn't think they could be managed.

What came out and why we made our recommendation as we did was that there were - the things you pointed out in the recommendation report that we felt could not be managed, and not only that but were irrevocably negative for the state. They were the ones we drew attention to for that reason. There are actually quite substantial concerns that are articulated in the assessment report that we as a panel, I think, retain considerable concern about, but the project could proceed if they are well managed, properly funded, adequately resourced and given enough time so that you get a good outcome for the people of Tasmania.

The two that we've articulated - I will say three, actually, because I include the Cenotaph - we think would be irrevocably damaged.

CHAIR - Thank you for clarifying that. If I may follow up on that, the question I wanted to put to you was about the characterisation of what your report says or doesn't say. We saw a lot of coverage of that immediately after its release from the government, from the proponent as well, and others in the public domain and it was welcomed.

The government welcomed your report, and they welcomed the fact that the panel apparently found that the stadium project was technically feasible to build, develop and operate safely and that all other negative matters are ones of opinion, subjective in nature, or ones that could be mitigated or managed. I wondered how accurate you found that characterisation of

your report? I think you've answered that, to some extent now, that doesn't sound like an accurate characterisation.

Ms PENN - No. What I would say is yes and no. The safety one is a good one, and I'm sure the committee is very aware of it because I think public safety is top of mind always.

We were extremely concerned about emergency egress as a fundamental something that has to be accommodated in all public infrastructure. The site, as you're aware, is extremely constrained in terms of both exit places but also room for people to queue and wait before they can get to a safe place. The impacts on that and whether that was possible, in our draft report we were not convinced that was possible on this site because of a range of factors, including the requirement for emergency vehicles to get in, for example, to service people.

For the final report, we were satisfied that it was manageable because we were told in hearings by the government's representatives, the Department of State Growth and by the proponent primarily, that those things could be managed, and they articulated how -

Mr TURNER - And by the expert -

Ms PENN - Of course, by their expert, who was able to advise if there was a police station at these locations, if there were barriers located here, if there's enough room for the numbers of people here, there's enough space for that, if they go that way, et cetera. We said, 'Okay, if all those things are in place, it could be safe.' That meant we felt that could happen. The second part -

Mr TURNER - Not objectively safe, but manageably safe.

Ms PENN - Manageably safe. Sorry, that's one detail of your question.

CHAIR - That was accurate in terms of the statements about you.

Ms PENN - Correct. The second part was around subjectivity. That is not accurate. I guess - with the committee, bear with me while I just say something about that - I think Mr Turner has already talked about the evidence-based assessment that we undertook and that is absolutely the case. I hope our credentials stand for themselves in terms of our integrity and our independence and our standing, which is to do with providing honest advice based on the evidence. It's also to do with substantial experience in assessing these things.

Something I do is assess the quality of urban places and of infrastructure. That's not about numbers - two plus two equals four - it can be harder to assess. People sometimes think that's about opinion or subjectivity. It's not. There's a difference between taste and quality - if you don't mind me just talking about that - taste is 'I like this, you like that'. Some people like the Georgian sandstone of Salamanca and some people like Mona. They're both good - for different reasons - they've both got issues, but they're both good. Style, taste are always subjective and they're always valid. Someone likes pink, someone likes red, no problem.

Quality is about the combination of a whole range of factors: how well something works, is it fit for purpose, is it sustainable, enduring, can it be maintained, is it on budget, all those sorts of things that are part of project assessment; also, is it amenable, is it somewhere that people want to go - amenable being comfortable - is it windy or is there access to sun and light.

Is it comprehensively designed in a way that contributes to its place - so it responds to its landscape, it's a good place to be, it's something that people will value, et cetera. They're all things that can be measured or judged. So they are objective. They're not subjective. I will defend that for every day of the week.

CHAIR - It's not just a matter of opinion then, in that sense, or it is a matter of opinion, but a qualified opinion.

Ms PENN - A professional, expert opinion.

CHAIR - Thank you.

Mr TURNER - As I remarked before: if an opinion is based upon evidence, and the application of expertise and experience, then the conclusion is one which, in my respectful submission to you, is having weight. As a lawyer, we deal with this all the time. Opinion evidence is not admissible in a court unless it's from an expert and you pay cognisance to what the expert says. If it's a doctor, well, the facts of the matter and then the training and experience of the doctor, and they come to a diagnosis. Do you prefer the opinion of a doctor when you go there and they say, 'You've got a melanoma, it needs to be cut off', or do you rely upon what your neighbour says, 'Don't worry about it, it's just a mole'?

CHAIR - Just a freckle. I'm mindful that time is flying and we might move and delve into some more of the detailed matters. I had Ms Forrest down first.

Ms FORREST - I might try to combine a couple. We have touched on some of these matters. I was going to look at cost-benefit analysis and economic benefits and pull them together. Just to clarify, you did your own cost-benefit analysis on the project, you didn't rely on the others?

Mr WALLACE - Thank you for the question. We did a cost-benefit analysis. The metrics we used were the social cost-benefit analysis, the general equilibrium economic modelling - they're complementary measures. We then looked at other metrics of value for money or affordability, and we did our own rigorous assessment of all the information that the government had given us about the costs and benefits, so, at the end of the day -

Ms FORREST - You took those into consideration, but you did your own assessment? That's the question I am asking.

Mr WALLACE - I think what's important in the final report is all cost information in the report came from the government. It's the government's cost information, and with only a couple of exceptions or assumptions in the social cost-benefit analysis, were as supplied by the government or its consultants such as KPMG.

Mr TURNER - Just to clarify that: yes, we did our own cost-benefit analysis, but in so doing relied upon the information that was furnished by government. The figures that were inputted were from government, but with a couple of modifications that Mr Wallace can speak to.

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Ms FORREST - I don't think this probably what was asked of you anyway, so just a quick question: did you do a separate cost-benefit analysis on the roof component, or did you just do it on the project?

Mr WALLACE - No, we did it on the project. We couldn't do it, anyway, just on the roof component because we were never given the detailed quantity surveyed estimates to enable us to work out the components of what was \$776 million, that became \$945 million, that became \$1.13 billion. We were never given the detail, so we couldn't do an assessment of that.

Ms PENN - We were not at liberty to separate elements out. That was something, for example, looking at alternative sites or not having a roof or having a roof. As much as we might have wanted to ponder all sorts of opportunities, that wasn't our job, and we just wouldn't have the evidence.

Ms FORREST - Yes, I am just clarifying, that's fine.

CHAIR - Ms Mason, did you want to add anything to that answer?

Ms MASON - No, just that we had no ability to take the roof off and separately quantify it.

Mr TURNER - Could I just say this, simply on account of some things that have been the subject of, particularly, representations: we didn't consider MAC 02. It was not in our remit.

Ms FORREST - No, I understand that, yes. If I can ask one quick one, on the public safety - it could be covered later, but while we've talked about it, I will bring it in now, if you like. That's been a matter that has been raised. Is it fair to say that your reporting on that has been slightly misrepresented, in that it would require everyone to do the right thing as they egress in an emergency situation, and did you get any advice from a human behaviour expert, that talked about what happens when people panic?

Mr TURNER - The expert, from memory, was Mr Stevenson, and he had extensive experience in crowd management.

Ms PENN - Proponent's expert. That was not ours.

Mr TURNER - He did not consider that there would be any unmanageable issues associated with emergency evacuation. It will be challenging, but with the right planning and with the right measures in place, and that includes all manner of things that are referenced.

Ms FORREST - So it did rely on a whole heap of things to go right?

Mr TURNER - Of course.

Ms FORREST - Is that right?

Mr TURNER - Well, a whole lot of things being in place.

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Mr PRATTLEY - If I could just add, I think at one stage he did suggest that the Tasman Highway could be closed by police to cater for emergency evacuation which -

Ms FORREST - In an emergency situation?

Mr PRATTLEY - It's a major state highway.

Ms FORREST - Which makes it hard to get your emergency vehicles in, though, doesn't it?

Mr PRATTLEY - Yes. It seriously impacts the functioning of the state's road system. We've always taken the view that those roads are crowded enough at the moment, and trying to take space out of the roads for pedestrians, even for events was, that was not a manageable -

Mr TURNER - I think it's fair to say that, as indicated before, it cannot be said that there is no risk at all. I don't think anything can ever be described as such. But the evidence persuaded us to the point that these risks are not simply in an emergency evacuation setting, but otherwise with the fact that after a major event, most people want to go straight away; and that's to be contrasted with, for example, say the Wooden Boat Festival, with a large number of people, but it's over the course of three days and people come and go.

So, we're talking about when there's the end of the event and a large number of people are leaving. The evidence was to the effect, which we accepted, that the movement could be managed in such a way as to diminish the risk to an acceptable point.

Ms PENN - Can I just add to that to elaborate slightly: yes, there's risk, I mean there is always risk, though, so I'm not at all suggesting it - our report says we believed it could be managed, which is the position, but we also articulate - and I guess I want to stress these points because I think if government decides to proceed with the project, I would urge government to consider that these things be funded and adequately planned: barriers along Davey Street to ensure people - as you say, behaviours - people will look for quick routes, they will try to duck across roads, et cetera.

We did interrogate the expert with those questions, and we did also look at things like the resilience, the fact that this is a major thoroughfare from north to south on the island, and it's already subject to shocks such as accidents and so on. So to close the road down - I think the Department of State Growth did advise us that that would not be an acceptable proposition; they would need to keep it running. So, it did mean police on a number of corners, the combined efforts of various state departments, which can all be deployed, it's just that they have to be deployed.

Also, awareness of access routes that were likely to be south, because from the north along the northern access road and also the north of the stadium were designated for emergency access vehicles, so you really couldn't rely on crowds of people rushing out that way. You can't get up onto the Domain. So, you'd need to make the pedestrian environment suitable for people to not trip over, et cetera, down through Franklin Wharf and so on. That can all be done; it's just that it would have to be done.

Mr PRATTLEY - Essentially, given that the police and emergency services said that there could be workable solutions - we didn't have a lot of options there.

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CHAIR - Ms Mason wanted to add something to that I think, before we move on.

Ms MASON - Thank you. Yes, emergency access has been a particular concern for us, and I think it's fair to say that given the plans that have been made for both concert occupancy and also AFL games, that the potential for evacuation through both that northern access road, which will be needed for emergency vehicle access, and also through the second exit which is straight onto the road right beside the Tasman Highway, the potential -

A witness - [inaudible].

Ms MASON - well, both of those. The potential for 20,000 people or at least 10,000 people to get out there in a short time, we questioned whether that was possible, but we received, as we've been told, reassurance from authorities that yes, they could put systems in place that would manage that. We had no further information on which we could base a firm decision.

CHAIR - We've got one follow up on this same area and then we will come and -

Ms FORREST - I've only got one more.

CHAIR - We will move on to areas where you didn't think there could be mitigating things in place.

Ms PENN - We do have a plan available in hard copy, if that's useful. I don't want to get you bogged down in detail either, but it's available.

CHAIR - We can refer to it if we need to up on the screen.

Ms O'CONNOR - Can I just double check? The reassurance that you were given about the manageability of evacuations -

CHAIR - Sorry, Ms O'Connor, we're just going to need to table this, and can we table it from the screen? Or do we need it in hard copy?

Ms PENN - There are hard copies here for you.

CHAIR - Could we have a hard copy please, to table? Sorry to interrupt.

Ms O'CONNOR - No, that's okay. I'm just trying to understand whether the relative level of assurance that the panel received about emergency evacuation procedures had, as part of that, original plans to make some pedestrian access changes around Davey Street? Was that part of the consideration?

A witness - Yes.

Ms O'CONNOR - Can I just let you know that in Estimates last week, definitely in the Legislative Council, the Treasurer made it clear that the Davey Street pedestrian fixes, if you like, weren't funded in the Budget and were not considered necessary for the project. Given that, straight from the Treasurer, would that raise your level of concern about the evacuation risk?

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Mr TURNER - No, because there will have to be a comprehensive plan to be put in place to mitigate against the risk and that one assumes, on the basis of the evidence that we've heard, it will demand there to be attenuation measures along Davey Street and other places.

During the course of the hearing, I think it fair to say that there was a desire on the part of the Hobart City Council, and Mr Verdouw gave some evidence that the necessary works to be done to make pedestrian areas safer - and he used the example of Salamanca with the removal of kerbs and having flatter pathways and the like - would need to be done, and that they thought that the state should fund that. There was no, I don't think, any resolution of that issue, but the fundamental point is that it needs to be done.

These things need to be done and others, as per the plan to be produced. The point is that the expert considered that with those, what I've described as attenuation measures, the risk would be mitigated, but of course someone's going to have to pay for it.

Ms PENN - You'd also be relying on the emergency services approvals that would be required. That's the requirement Mr Turner's referring to. You're relying on sign-off from Fire Services Tasmania and the police and SES. Those are the measures, they would come and do an assessment, whatever that plan might be. If those pedestrian changes weren't made, there must be some other mitigation. We don't know what that is.

Ms O'CONNOR - You would hope so, but it's all a bit up in the air at the moment.

Ms PENN - I think you're relying on your emergency services authorities to approve a plan or to not.

CHAIR - Thank you, and just one moment. What I'm going to say is we need to move more quickly through this material, so we're going to keep our questions pretty tight. We need you to keep your answers pretty tight, and maybe defer to the most relevant person to answer them for us if we can.

There's one follow-up on this and then we're going to move on to the next area. Ms Thomas.

Ms THOMAS - Thank you. There is a condition in the Order, as far as I understand it, for further event-management plans to be developed, et cetera. But, within the Order, the government effectively signs off on its own plans, so there's no independent oversight of what is included in those. Is it your view that this is something that ought to have reasonably been covered in the planning application stage rather than being a condition that is then signed off by government itself?

Mr TURNER - I haven't looked at the conditions which are attached to the Order and I don't think anyone else has, because, as I said, our role ended in September.

CHAIR - We're not going to ask you to make assessments on foot here.

Ms THOMAS - Ordinarily in a planning application process, would it be the TPC's expectation that things like event management plans, transport management plans and safety issues were covered off in the application and assessed by the relevant planning authority?

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Ms PENN - Sometimes. I think it's reasonable to say - I'm very happy to say - that in my involvement in assessing major planning projects, not as a planner though, is that you would expect to see more detail and more specific detail typically. However, it's also typical that there would be requirements for things like an emergency management plan. That may not be there at planning stage. I think it's a bit of both.

Mr TURNER - If there is a condition, and this is from my experience, it's pretty common that a construction management plan will reference 'further detail to be provided', et cetera. You can say in the condition, 'There should be an emergency management plan for pedestrians which needs to address these things: A, B, C, D, E, F and G.'

Mr PRATTLE - As this isn't an ordinary planning application set up under the under the Project of State Significance (POSS) program, it is critical that there is satisfaction at this stage of the process that a workable solution can be delivered, even if the detail of it has to be signed off later. That has been the test, I suppose, that we've been looking at, and we've accepted the advice that the emergency services and the police believe it can be.

CHAIR - Ms O'Connor, I think we're coming to your area.

Ms O'CONNOR - Thank you. Are we in the integrated assessment area now? Do you think we've moved on to the section?

CHAIR - We are, until 1.1.

Ms O'CONNOR - Okay. I want to draw your attention to the brochure that the government put out in response to your Integrated Assessment Report. It insults the intelligence of us all. The brochure addresses none of the TPC's specific recommendations or findings, I don't know if you've seen that. But, on the day that the report was tabled, a media release went out from the Premier saying that the report massively underestimates the social and economic benefits of the stadium.

I think this might be a question for Martin. Is there anything that the panel might have missed or not factored in? We're told there's all these intangible benefits, and we've been given the example of the Office of the Coordinator-General's input-output modelling to say there's much more benefit than the panel found. Is there anything intangible, or is there anything that the panel may have missed in terms of benefit, that would provide this opportunity for someone to say, 'There's so much benefit here?'

Mr WALLACE - Thank you for the question. In my view, no. We did a very comprehensive assessment of all the information we received, particularly from KPMG, who did a very good report on all the social and cultural benefits associated with the stadium. Even though our - we received some advice that they seemed very optimistic, we actually used the estimates that they provided in our cost-benefit analysis. If you look at their social and cultural impact analysis, you will see a list of things which actually then end up as summary items in the cost-benefit analysis.

At the public hearings, this issue was raised about these 'other' benefits or costs. KPMG noted a couple: one of them I think was 'livability', and the other one was 'brand'; actually, some of that's already in there. One of the issues with those things is not just their measurement, but they're both social negatives as well. It's quite clear that there is a negative brand impact as

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well as potentially a positive brand impact. It is also very clear that there are negative impacts on livability, because of traffic congestion and many other things as well as positive.

Ms O'CONNOR - Housing shortages, potentially?

Mr WALLACE - Yes, and housing shortages for the workers, et cetera, which are very significant. In my view there is nothing material that would make really any difference of any materiality on the results we got. There's nothing there.

CHAIR - I might jump in at this moment and introduce to the panel a member of the committee, Ms Lovell, member for Rumney, who has joined us at the table.

Ms LOVELL - Apologies for being late. Thank you.

CHAIR - One more follow-up question.

Ms O'CONNOR - Thank you for the follow-up. You talked earlier about your experience in developing some input-output modelling. There's been some publicity around some input-output modelling done by the Coordinator-General himself that found a significant positive cost-benefit ratio. Is that input-output modelling in any way credible as a measure of costs and benefits of this project and the relative space between them?

Mr WALLACE - It's the wrong model. Input-output models are very useful in understanding the interactions between all the industries in Tasmania and what's exported and the supply that one industry makes for another industry, et cetera - that's why it's called input-output. It's a great database for computable general equilibrium modelling, but you cannot use it for this purpose. It doesn't measure the economic uplift.

Mr Perry's analysis obviously didn't come through our process, so it couldn't be scrutinised. I have read the article in the *Mercury*. With respect to Mr Perry, the analysis has a number of major flaws. First, it was the wrong model. Second, the huge double counting, because he's used total spending. An economist knows that spending going through the economy is really using the same estimate many times over. It's actually the value added so it's the producer, in economic terminology - it's the producer, consumer and later surplus that creates a benefit. So what you're going to get is a huge overstatement of the benefits. That's what the economic modelling that we've used to base this, and which KPMG uses, avoids.

You end up with estimates like \$200-and-something million a year, whereas the KPMG model shows, in the operation phase, \$27 million a year in increased GSP - that's the economic uplift, and of course he didn't include all the costs; he included an interest cost only and it might be that that interest cost is quite understated anyway.

Ms O'CONNOR - Just on the interest cost, by your estimation, at \$1.13 billion, would you have any picture of that?

Mr WALLACE - Yes. The latest Budget came out obviously a very short time ago and it shows that at the time when most of the borrowing would happen it looks like the borrowing rate will be about 6.4 per cent. The core cost of the stadium is \$1.1 billion. We have included the things that are absolutely essential - works that are necessary to make it operational - and they add about another \$250 million. The way it works out is, if you add those things together

and take off the Commonwealth contribution and the AFL contribution, the state will be borrowing \$1.1 billion. So, \$1.1 billion at 6.4 per cent is \$70 million a year, except you've got to borrow the interest as well.

The reason for why you have to borrow that much and why you have to borrow the interest is because the state has an underlying significant cash deficit for the foreseeable future - without the stadium - so any cash that adds to that has to be borrowed, so all interest payments have to be borrowed. For example, the first year you're paying \$70 million. The second year, you're borrowing another \$70 million. The interest on that first \$70 million is at 6.4 per cent, so roughly \$4 million to \$5 million, so next year you're borrowing \$74 million. The following year, you're borrowing \$80 million, so within about five years you're going to get a debt associated with the stadium of, say, \$1.5 billion, not \$1.1 billion, and the interest costs at that stage will be \$90 million a year. I mean, it's a completely untenable situation.

It's important to understand that loan borrowing is a financing thing, but we have to assume, as KPMG does in its economic modelling, that governments act rationally. It's a completely untenable situation. The stadium has to be funded either through tax increases, the abandonment of future capital projects, or reduction in spending in some sort of way. That's what KPMG -

Ms FORREST - Chair, while Mr Wallace is on a roll - and if you can't answer that's fine, Martin - but with yesterday's announcement of a credit rating downgrade, what impact will that have on the figures you just provided us, seeing as the borrowings will be new borrowings?

Mr WALLACE - I've just used the numbers that are in the latest Budget, and I don't know whether Treasury is taking into account that we were on credit watch; almost certainly, anyone who'd looked at the numbers knew that we'd get a credit rating downgrade as soon as the Budget was released -

Ms FORREST - The Treasurer disputed that when I raised it with him, but anyway.

Mr WALLACE - They may have assumed it, but if they didn't assume it, our borrowing rate would be higher than 6.4 per cent. In our report, we assume around 5 per cent, so this is another significant extra cost.

Ms FORREST - What impact does that have on the cost-benefit analysis, then?

Mr WALLACE - It doesn't impact on the cost-benefit analysis. On the cost-benefit analysis, the cost is what the cost of the stadium is in net present value terms, what the construction cost is. The reason why the financial analysis is there is, I suppose, to give an illustration of what happens if it's not funded. The economic modelling used by KPMG and everybody else in the world uses a balanced budget constraint because it knows that such a situation is untenable, so taxes have to increase. This is where I think the biggest confusion is here. People don't understand that when the government borrows money and spends it, they think it creates an economic uplift, but it doesn't. It's public money; it's not a private investment. It's public money, it has to be funded, so you are withdrawing money from the economy to pay for it.

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We have to look at the impact over the whole life of the stadium, including the construction and the operation. When you look at the whole lot, effectively that initial effect of government borrowing before they start to fund it and spending the money will create like a sugar-hit effect, but economic activity after that will go down because it has to be funded. Does that answer the question?

Ms THOMAS - So when the Premier -

CHAIR - Sorry, Bec, I've got Casey up next for a question. I think it's in the same area.

Mr HISCUTT - No, mine's on a different area.

Ms THOMAS - Mine's still on there.

CHAIR - Okay, a quick follow-up.

Ms THOMAS - Thank you. When we hear the government suggesting that this is capex and that it's different than operational spending, they're convincing Tasmanians that the assertions and the concerns people are raising about the impact on essential services and hospitals running and education, all of that - the government is saying, 'It's not going to impact because it's capital spending; it's a separate bucket of money.' This is a story that's being sold to Tasmanians. How would you explain to an intelligent 12-year-old that that actually isn't true?

Mr WALLACE - It doesn't matter how you artificially divide up the state sector into general government, government businesses and state-owned enterprises, at the end of the day, it's a state that's borrowing the money.

The problem here is that we've accepted all the late assessments from the government about the operational cash position of the stadium, and the EBITDA (earning before interest, taxes, depreciation and amortisation) is positive \$2 million, but when you add in the life-cycle costs and the other costs that are not included in the EBITDA, the stadium makes a cash loss over its lifetime, so there's no money, there's no surplus cash to pay the interest bill.

CHAIR - I'll go to Mr Hiscutt.

Mr HISCUTT - I've got two quick ones.

CHAIR - You don't have to be quick, you can be fine, because it's your first time.

Mr HISCUTT - I'd like to try to be quick, so we've got more time for more questions.

CHAIR - Great.

Mr HISCUTT - I'm trying to understand Table 1.2 which has the cost-benefit, on page 34 of the document. It has, up in the top table, that it's from 2024 to 2058. Is that the cost and benefit across the 30 years? Because, as you said, that doesn't take into account the operational - as I understand it -

Mr WALLACE - Yes, I can explain. Everything was in 2024; the data was provided by KPMG. This assumes that the construction starts in 2024-25, and it might take three or four years, and then there's a 30-year operating period. These numbers are the future stream of all cash costs, cash or monetarised benefits over that whole period of time until 2058, discounted back to 2024, so that you can actually measure them on the same basis in the same year.

Mr HISCUTT - Right, that may answer the question. What I was going to ask was, regarding the benefits, where it says the economic benefit of AFL investing in Tasmania at \$61 million. That doesn't have a note to explain it, but my understanding was there's \$360 million coming in from the AFL into Tasmania. I wanted to understand -

Mr WALLACE - Okay, this is a net present value number. The \$61 million you're referring to is the AFL investment. Yes, it's \$33.5 million. The numbers that we accepted in the end, we couldn't really verify because it's quite different from what the club funding agreement is. That's a lot bigger. We accept the number, \$33.5 million a year, and that's discounted at the discount rate. Then you have to apply the value added, so the producer and labour surplus of that. The total spending doesn't create - that's not the economic impact. The economic uplift is the surplus and that generates a number of future benefits discounted back; 2024, lump sum, \$60 million.

Mr HISCUTT - Thank you for the explanation of that. To a slightly different area. On page 29, note (i), still on the CBA:

If all such costs and benefits to a community can be reasonably measured, a benefit-cost ratio (BCR) of less than one implies that the collective economic welfare of the community will decline ...

In the next sentence:

Another way of expressing this is that if the BCR is less than one there is a net social cost to Tasmania ...

I wondered why the two different terms, because they do mean different things.

Mr WALLACE - I can give an explanation of that. This is explaining the economic theory. This comes out of welfare economics, a very long-established part of economics, which basically says you do a cost-benefit analysis, if the benefits aren't greater than the costs, then the collective economic welfare of the community declines. That's on the assumption everything can be absolutely accurately measured and predicted. The net social cost is just another way of expressing that. We're taking into account all the social and economic benefits, the social and other costs, and there's a difference - a negative - and that is a net social cost to Tasmania. It's effectively the same thing.

Mr HISCUTT - Economic welfare and social cost are equivalent in this context?

Mr WALLACE - In this context, yes.

Mr HISCUTT - Just to understand the report, thank you.

CHAIR - Thank you. Following up on similar areas about costs and benefits, I was interested to note that you raised the equity issue in the report in terms of who bears the cost and who reaps the benefits. The impact varies between groups is something you've talked about. Much of the economic benefit attributed to the stadium by interest groups is actually a redistribution of economic and social activity that is already occurring in Tasmania. So, the cost burden is for everyone, not just those benefiting from the stadium.

One of the things that we would often hear is that government spends money on public infrastructure like bridges or hospitals or schools, and they seem to lump this into that similar categorisation of a public good. I thought you might like to clarify for us our understanding around why this might not be regarded like building a bridge or a school or a hospital.

Mr WALLACE - I think we have a discussion in the report about what social infrastructure is. This isn't social infrastructure. The reason is because, if you look at the social costs and benefits, that there is a net social cost, so it's not justified on social infrastructure terms.

The other thing is that the stadium benefits a subsection of the community, but the whole community pays for it. If, for example - and not that I'm advocating user-pays - the people who benefit from the stadium were to pay in their admittance charge to a match or an event what they should be paying, it will be many times - for the \$100 admission, it would be many times that to pay for the stadium. What happens is, a subsection of the community gets a net social benefit. The benefit to them is greater than the cost to them, but the rest of the community has a large social cost. That's why collectively it's negative, but importantly, there's a huge redistribution effect here within the economy. I'm not sure how to quite answer that.

Ms RATTRAY - Isn't that what happens with our rates? I mean, not everyone uses the swimming pool, but I help pay for it when I pay my rates, because I'm part of the community.

Mr WALLACE - Yes, I know, but they're community assets - that's about community services. I mean, stadiums are a commercial business and they're a very competitive commercial business around Australia. As you will see overseas - huge amounts of money spent on attracting events at the expense of some stadium in a separate state or a separate location or whatever, it's a commercial activity.

Ms PENN - Can I just add, this partly might answer that question, too. I'm not an economist, but having been involved in procurement - normally for a public project to proceed through government - it requires a cost-benefit ratio of one, which has been articulated in the report. For example, if you think about a hospital, they usually cost a lot of money and you don't get money back, but you get significant social benefit back - all sorts of outcomes, which is why government funds them. Those are all measured; they're not people paying millions of dollars for their hospital bed, although they pay taxes and so on. But you get health benefits, you get social good and wellbeing benefits, that also are calculated through other areas of the economy. So, the cost CBA is usually one, before a government would fund a hospital, but the social benefits are still costed in that. I mean, that's Martin's expertise - but in this case the social benefit is lower.

CHAIR - Thank you. Now, there's a follow-up here from Ms Thomas.

Ms THOMAS - Thank you. I want to follow up on my question before, just to be clear about how the government pays for the borrowing costs, and how you would explain the fact that even though it's a capital investment, there is an impact on funding for essential services. The way I frame it is - and tell me if this is an accurate analysis or not - because there's no spare money to pay for the interest on the loans each year, and because the government doesn't have any new revenue streams proposed to pay for that interest, the government will have to take money from other areas. So, we will have to cut spending in other areas in order to pay that interest, to cover the interest on the loan, or borrow to pay the borrowings.

Mr WALLACE - Yes, that's right. It has to be funded because to have the compound interest trap that I've explained to happen, is completely untenable - it's amazing how quickly that compound interest trap works.

This is what the economic modelling that people like KPMG, et cetera, do, is they assume that governments have to be rational, they have to deal with this problem by funding it. So, you take the loan out for - it's a bit like the Hydro with a bit of the hydro scheme - you take the loan out to get it built, but in a case of a hydro scheme, then you get the revenue during the operational period to pay the interest, if not pay down the debt.

In this case, you don't have that, so you have to find some other mechanism and the other mechanisms are - and I'm not giving financial advice to the government - but they're just obvious: tax increases, abandonment of future capital projects or future projects, or reductions in spending, or a combination of all those.

Mr TURNER - Could I just point out, that in the analysis that was conducted, it was 5 per cent interest, and as Mr Wallace has pointed out in the Budget, it's now 6.4 per cent, and that is before the downgrading. So, what it will happen to be in one or two years' time, who knows?

Mr HISCUTT - Just moving on to 1.2, if that's alright?

CHAIR - That's totally fine.

Mr HISCUTT - Perfect. I just wanted to ask 1.2(m) - I won't bother talking about it. Page 38, just in regard to the attendance rates and the assumptions made there - in particular in (m) it talks about the survey of 13 recent games by Hawthorn and North Melbourne. I wanted to understand whether weight was given for where those teams came from, in relation to how that then informed your recommendations in section (s), about how many interstate visitors would come. I know that, as you hopefully understand, a lot of those games are from clubs that are not Victorian clubs. How does that model fit into this?

Mr WALLACE - So, this whole area is based on limited, not necessarily consistent information. The thing was, we had a lot of information about which clubs are playing and what their club memberships were, because this is all a function of size of those club memberships in other states, which I think you're inferring anyway. The surveys, and not necessarily consistent surveys, on how many of the people who came were from interstate et cetera. Effectively, we put all this information, including which would be how many Victorian clubs - because the further away the club is the less likely that a member will come.

Mr HISCUTT - Yes. And that's the information in (m) that I worry about.

Mr WALLACE - All that stuff was put into it like a diagnostic assessment to try to work out whether this estimate of 5200 interstate state visitors that KPMG assumed was reasonable. Now, they didn't have access, as I understand it, to this later information that we did when they came up with their estimate. So, whichever way we looked at it, whichever way you look at the numbers, it comes around to the sort of estimate we've made, but all those things are taken into account.

Mr HISCUTT - That was what I wanted to have a surety of. Thank you.

CHAIR - Thank you. I'm going to move along. When I was looking at the second part of your report, the strategic planning and site plans and reading the material you had in that, I noted in the early part of your report talking about the stadium being a repudiation of a number of longstanding planning principles and strategies that have been applied to the development of Sullivans Cove and controlled through the planning scheme. In some of the commentary since the public release of your report, and, in fact, in the government's response document, they effectively say they were very old planning principles, 35 years old and basically not relevant anymore, and they were done at a time when this area was a car park and therefore not applicable. I'd be interested in your response.

We have also heard in our other briefings that those planning principles that were in our Sullivans Cove Planning Scheme have now been brought largely intact through to the Hobart LPS, which is like the new version of our state planning system, but for the Hobart LGA. They still exist in our planning system as principles. It would be interesting to hear reflections on their applicability and the way that you've applied them, if you could.

That's either Ms Penn or Mr Prattley.

Mr PRATTLE - Perhaps I will start and Shelley might add. We've discussed at length on page 51 and onwards, the mere fact that there is a *Sullivans Cove Planning Act*, a recognition of how significant and important that area is. I was deputy commissioner at the time, 1988 to 1993 or something, so at the time when a lot of this was happening. It was largely driven by concern from the community and from government about a number of projects that had taken place, like, I call it the 'port building' but the old Sheraton, as it was, outside of the normal planning system; and that led for a strong desire, and a lot of work over many years, to try to establish what are the principles that are important.

While we don't have to follow the Sullivans Cove Planning Scheme as such, the principles have not changed. If anything, they've been reinforced. The work that Hobart City Council has done on looking at the CBD and the stepping up of buildings and location of tall buildings versus lower buildings on the topography all reinforce all the principles that underpinned the Sullivans Cove Planning Review. I think, from my point of view, there are none of those that are not still relevant. I'd suggest that they're of more importance, perhaps, than they used to be.

I'm not a great supporter of saying because the planning scheme is there it says something, because that's just a document at a point in time that reflects community use and positions, but clearly, the principles are still strongly supported.

Ms PENN - Can I just add very briefly, but I am completely in agreement - I hope that's obvious - with my colleague. The planning, the statute, the planning provisions are, as

Mr Prattley said, a point in time. They are constantly being nuanced: how can we make planning better, how can we make it easier to navigate, how can we still protect what we want to protect? But what is constant and has grown and developed has been this recognition of, and commitment to, what is special about Hobart and Sullivans Cove.

That's more and more articulated through those nuances in strategy and principles, and they have been enduring and refined in such a way that buildings that were permitted previously probably wouldn't be permitted now, such as the Marine Board building or the Grand Chancellor, which people have got to know and they're part of the landscape now, but would you do them again? No, you wouldn't. You might put them a bit further back into the heart of the city. That's because people value the cove, the amphitheatre, the natural topography and the layering of undulations of the landscape which are fundamental to Hobart. I'm happy to elaborate, but I won't just now.

Mr PRATTLEY - And an important part of Tasmania's brand and image.

CHAIR - Thank you. I'm interested to pick up on what you said there, because I'm sure that there may be people who would hear that and say, 'Okay, well we got used to those other developments', that we would now potentially deem inappropriate, we would just get used to the stadium if it was put there as proposed; how would you respond to that?

Ms PENN - Potentially, I mean, there are awful things that have happened to places all around the world, like devastation of thousands-of-years-old monuments, and people get used to them because life goes on and we continue to live. But that doesn't mean that's a good thing or that that's preferable or that's something you would choose to do.

CHAIR - Thank you. The other thing that I was interested to ask you about in relation to planning schemes is another part of the government's media release after the release of your report said, 'Stadiums are complex, and this is the reason why across the nation special laws are used to approve them, instead of the traditional planning scheme.' I wondered if you had a response to that comment, and whether that's an accurate description or an appropriate way to think about how stadium projects might be considered and assessed for planning purposes.

Mr PRATTLEY - I would say sometimes that's the case, but I think a lot of stadiums have been approved under the normal planning processes.

Ms PENN - Most states have a Project of State Significance or similar type of mechanism that enables governments to undertake comprehensive assessments of extraordinary projects. That doesn't mean government doesn't care about the planning outcomes; it means that it probably cares about them all, but recognises there might be some unusual elements and therefore constitutes proper processes to assess those, so that governments can make informed decisions. It doesn't mean it's a free for all.

CHAIR - That doesn't mean the planning scheme is set aside.

Ms PENN - Not at all. In fact, it's reliant on the planning scheme in different ways and the principles are articulated in the legislation.

Mr TURNER - The observation was made by the Federal Group that it had spent a lot of money investing in and around Sullivans Cove and it had played by the rules, and it was

aggrieved by the fact that the state government was wanting to change the rules for purposes of this development.

Mr HISCUTT - I think this either falls in here or slightly into the next one, but on the recommendation report, and this is in urban form and activation on page 6, second paragraph, the last sentence says:

It will irrevocably change, for the worse in the opinion of the Panel, ...

Everywhere else states explicitly, whereas this is the one time where it does say that. Could I understand why those words were used for this instance and not others?

Ms PENN - I think it's purely a quirk of drafting in the sense that it is an opinion. It's a professional opinion, and we will assert that that's absolutely -

Mr HISCUTT - Yes, it's just not used elsewhere.

Ms PENN - not just professional, but an expert, deeply experienced opinion. I think the words were unnecessary. We probably shouldn't have included them because they lead to that very conclusion, but the intention was absolutely not to qualify them as being not fully our expert assessment, which has been based on 18 months or two years of careful review of material.

Mr HISCUTT - Thank you. This was a quirk I wanted to understand.

Ms PENN - Absolutely. Thanks.

Ms O'CONNOR - A quick follow up question: the panel asked for, as I understand it, a 3D model of the project from the proponent and how it would look and how it would fit, if such a word could be used for this project, on that side.

As we understand it, that 3D model that the panel requested wasn't provided, but also there was a series of renders that were provided to the panel. We heard evidence this morning that, in fact, they were misleading renders because they diminished, underplayed the imposition, on the Sullivans Cove fabric of the stadium. Do you have any thoughts on that? We've seen robust renderings now from Our Place that were, we understand, accepted by government. How difficult was it for the panel to get a really complete picture of the visual impact of this thing on Sullivans Cove?

Ms PENN - I will have a go at that. Apologies, Ms Webb. We did bring some images. They're all extracted from the submission, there's nothing new there, but there were a couple of renders and some other drawings. I don't know whether they were tabled, or whether you have them, but if you want that, some of those relevant images are in there.

CHAIR - I'm happy for us to put those up on the screen if you'd like to speak to them?

Ms PENN - If that's possible that would be great, thank you. There were two. I don't remember all the detail about the differences between them, but you're right, there were renders submitted by the proponent. There was a later set of renders submitted by the proponent that

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they amended in advance of the hearings. There were renders submitted by Our Place and possibly others, but -

Mr PRATTLE - We had three different sets of renders.

Ms PENN - Three different sets, thank you - and we asked, via the Chair, those expert renderers to go away and have a discussion and agree on what they agreed on and what they differed on. They came back with an acceptance that the proponent's experts' technique and methodology was appropriate and superior - I think that's a fair description - however, they disagreed with elements of how the images had been set up. That can be to do with frame of view, eye height, type of camera, and so on. So, there were differences.

Ms O'CONNOR - The kind of camera that you use, for example, could make it seem smaller in the landscape?

CHAIR - I'm just going to insert here, for a moment -

Ms PENN - I'll be quick.

CHAIR - No, you don't have to be quick, but we do need to have you request to table these documents, even if you haven't got them ready right this second, but can you request to table them?

Ms PENN - I will, yes. Can I -

Ms FORREST - They're there, behind them.

CHAIR - Oh, you have got them. Could you request to table them and pass them to us?

Ms PENN - May I request to table a number of documents?

CHAIR - Yes, certainly.

Ms PENN - In doing so, I would state that they are some drawings and images directly from the proponent's submission. They're not new material that is not on the public record and available on the TPC website.

Mr TURNER - We've got a number of copies so everyone can have one, if you want.

CHAIR - Much appreciated, thank you. Please continue.

Ms PENN - There was a point I was going to make in response -

Ms O'CONNOR - Renderings, because it's been put to us that what was provided by the proponent was misleading.

Ms PENN - Yes. The point that we got to - and my colleagues would tell me if I'm misrepresenting us - was that ultimately there wasn't that much difference between them at the end of the day. What I mean by that is, with respect to the two experts who prepared them, they

agreed to differ on a number of matters about their methodologies and the angles and cameras and locations and so on.

We felt we were able to make an assessment, including through assessment of drawings such as plans and elevations that give you clear empirical evidence around heights and scale and so on, that were not impressions. The renders are all effectively impressions because, even if they're accurately set up, they are, as Mr Prattley said, taken from certain chosen locations or they're set at certain angles and they're a point in time. We don't experience places in individual frames; we move through them.

I think we got to the position that we felt at the end of the day there were kind of nuances between them, but it didn't change our understanding of what was proposed and our assessment of it.

Ms O'CONNOR - Just to confirm, the proponent didn't also provide images of the stadium from other parts around the city and the suburbs, as was requested?

Mr PRATTLEY - From memory, not all that were requested. I think, if my recollection is right, we had an original set of renders from the proponent at the start of the process, and then the second set of renders the proponent provided. I think they accepted that the original ones weren't accurate -

A witness - That's right.

Mr PRATTLEY - and were saying the second set was accurate, and that's the set that we had this sort of conclave of the three experts to try to reach agreement on.

Mr TURNER - The fundamental difficulty that we had - and this is something that crops up all the time - is that the renders don't necessarily show what you will see. The experience of something is very complex and takes into account a lot of things. Whereas a picture or render is just this sort of snapshot, so they're not necessarily going to be accurate. And as far as the different sets were concerned, some were taken from slightly different vantage points, which makes a difference.

Ms O'CONNOR - I think there's an accepted best practice, though, for how you present imagery of a project in the landscape.

Mr TURNER - There's no doubt about that, and I think that the second set from the proponent best adhered to that.

CHAIR - Is that what you've just tabled with us, some of the images that you've tabled?

Ms PENN - Some of the images I've tabled, just to explain what's there, are a couple of key plans - the precinct plan, the stadium plan and a basement plan - and some elevations. They were just in case questions came where pointing to drawings would assist. There's also some towards the end and there's one up on the screen that I wanted to use to illustrate the point that, at the end of the day, there is an empirical size and scale in its context and these sections are quite illustrative of that. They demonstrate, for example, the reduced levels - you can't read there - show that the Cenotaph - and you can see on the left-hand side there's a line and then

there's the Cenotaph on the left. There's a black line pointing down to the top of it. The base of the Cenotaph is -

CHAIR - You have to speak quite loudly so Hansard can hear you through the microphones.

Ms PENN - That line is RL24, which is 24 metres above the Australian height data, which is effectively sea level - think of it as sea level, which does go up and down. That's RL24.

The top of the stadium roof at the highest point is RL54, so that's 54 metres. The base of the stadium roof is also about RL24, so very similar to the top of the domain at that topography, so 30 metres is that difference.

The height of the stadium overall is more than twice the height of the Domain above sea level.

I guess I'm just illustrating there are some empirical size aspects that are understandable. No-one will actually see it like that, I'm not saying that, but it is also about 240 metres at least in length, so it's not unlike the size of the *Carnival Adventure*, which I think is still in harbour today, or was yesterday.

CHAIR - The cruise ship, yes.

Ms PENN - That's 290 metres long. It's not that much smaller than that. This is to illustrate size, which informed us more than the renders, is the answer.

Ms O'CONNOR - Thank you.

CHAIR - So the top of the Cenotaph there is a little bit lower than the top of the dome of the roof.

Ms PENN - It is, and I can tell you exactly what it is in a minute.

Mr TURNER - One of the points is that if you can imagine yourself at the Cenotaph and imagine there's someone who's two metres high, you can see from that, or get an understanding from that, as to what intrudes into your vision. That's going to be the roof.

Ms PENN - The top of the Cenotaph is at RL45.9.

CHAIR - So it's nine metres above the top of the dome.

Ms PENN - Correct.

CHAIR - Okay. In terms of visual bulk or just the apparentness of it in the landscape, the renders we have often seen have a very transparent look to the roof, but now we have come to understand that what will be needed in order to diffuse light and address shadowing issues for cricket will result in something that will look much more opaque, it would appear. We're still not sure yet. Does that change, do you think, what we should have as our understanding of its impact in this space?

Mr TURNER - Before Ms Penn answers that, the panels are not transparent.

CHAIR - No, that's right, but we've been presented with images where you can literally see through the roof panels to Mount Nelson behind it, for example, from the Cenotaph. That's what we have seen images of. Obviously that's not accurate because we won't be able to see through the roof like that.

Ms PENN - ETFE (ethylene tetrafluoroethylene) is not transparent. It's translucent at best and it reflects light. Based on other ETFE roofs I've seen, it's much more likely to be reflective and will not be transparent. I don't think it will be possible, in my professional opinion. Maybe there will be something about the circumstance about the light that means I'm wrong, but I'm just saying that a more qualified opinion is that you won't be able to see through it at all. It will be reflective, which sort of bounces light, it's light coloured and light colours -

CHAIR - So not reflective like a mirror to reflect the surroundings, but reflective of light only?

Ms PENN - Reflecting light - luminous is probably a better word. Dark colours tend to absorb light and light colours tend to reflect light. So a white object that's the same size as a black object tends to look bigger. That's just an empirical fact of how we see.

CHAIR - This will look like a white object in terms of the roof?

Ms PENN - Yes, and in terms of opacity in relation to the cricket, we understood when we finished our assessment that the resolution of the roof was still a work-in-progress, and part of that resolution was avoiding shadowing of the cricket pitch, which would prevent Cricket Australia agreeing to matches being played. So, to limit the contrast of structural elements and the way light would work hitting the wicket, the intention was to make some of the panels, the ETFE roof pillows, opaque so that you would get less contrast with light. They were trying to assess what and how much that would be. Our report says that to whatever degree that occurs, more or less, it will add to the opacity of the roof.

Regardless, our assessment is that that roof will certainly not be transparent and really won't be translucent either. And yes, it adds significantly to the perceived bulk for a couple of reasons: one is because you can't see through it, but two is because of its singularity and size. So its dimensional size is just an empirical number, then the fact that it's homogeneous, it's one single element, in the contrast of the much more broken up scale and variation of all the urban elements around it, means that its perceived size is much bigger.

Mr TURNER - Could I also mention, this was the subject of some discussion in the context of what was anticipated, or was the subject of interchange between cricket and the proponent, that there was a suggestion that there would be more opaque panels and that would then give, in effect, a striped appearance on the roof, because some panels would be -

Ms PENN - Not necessarily striped, but it could be patchy, i.e. not some considered - it's quite an elegant roof, if you're having a roof if the scale aspects were not a problem, for example. But yes, it's going to look sort of patchy - some solid bits and some less solid bits, that might also look -

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Mr TURNER - The thought was, have those more opaque ones that would be at a particular place, so that when the sun was at a particular angle, there would not be shadows cast on the roof. Now, that was sort of in the mix, if you like - but the effect would be that the patchiness wouldn't appear, as the various renders had depicted.

CHAIR - Thank you. I'm interested to ask you about in your section of the report 2.2, the Consistency of the Project with Mac Point Precinct Plan. I'm looking at page 57 of the report, at paragraph (g), which is near the top of page 57, where it says:

- (g) The Panel considers that the Project will not support or promote integrated urban renewal of the Mac Point Site.

So, that's a fairly straightforward little sentence, but it carries a hell of a lot of weight in terms of our thinking about this project. Because, of course, the argument that's been presented to us is that that's absolutely what this project is about. It's very fundamental to selling it to us as an idea, because it's more than a stadium: it's about renewal of the site. Could you speak to us a little bit more about your thinking behind that statement?

Mr PRATTLEY - Certainly.

Ms PENN - I might refer the committee to the plan, while Mr Prattley speaks, if that's okay?

Mr PRATTLEY - If I refer you to page 54, I think, Table 2.1, which looks at the history of precinct plans for Macquarie Point - the original 2016 site development plan, the reset site development plan - which statutorily is still the plan that's in place. The Mac Point Precinct Plan, while it's been approved by the minister, has no statutory weight in the sense that it hasn't gone through the planning processes, through a public approval process, that has applied to the previous plans.

But, if you look at the figures there, the reduction in the combination of commercial, retail, hotel floor space is, from memory, about 50,000 square metres, so it comes down to a total of 17,000 square metres. 17,000 square metres and take out the 7000 for the Antarctic Precinct - 10,000 square metres - only generates - and this is a field my company works on all the time - from a rule of thumb, generates a demand for about 1500 square metres of activated space.

I don't know whether many of you have seen a lot of the mixed-use developments that take place around Sydney, Melbourne, Canberra that have all been required by the planners to have activated space on the ground floor. The majority of them are empty or used by ancillary uses that are just getting cheap rent on the space because there is a limit to the number of cafés, restaurants and bars that you can sustain. There's a requirement, to activate a space, to have a substantial amount of floor space.

I think while the Reset Site Development Plan would generate an activated area, what we're dealing with now is essentially leftover space. It doesn't have street-frontage; the mixed-use development sites. Other than being set back from Evans Street, they have no street access. They are awkward-shaped sites that are not likely to be particularly attractive to the development industry. The space, I think, gets 5 metres between the stadium and the building; it's not going to be an attractive space.

CHAIR - Can I put into the mix - I know Ms Penn is going to take us to a diagram that's on the screen - but I also want to put it to you that in the government's response document, on page 43 of that document, they've got a laying out of Macquarie Point zones. One of the things they've added in as part of consideration here is a very large area of the port's commercial zone as being able to be considered as part of this precinct. I wanted to clarify with the panel whether that was ever part of the plans that you considered in your assessment, beyond the -

Mr TURNER - The simple answer is no.

CHAIR - Yes, it's interesting that it's sort of jumped in there. We did talk with TasPorts during GBE Estimates this week about that. They indicated that they were potentially in talks with Macquarie Point Development Corporation about making some of their unused land in that area available. It's not yet defined what for, or to what extent. As it turns out under questioning, nothing is documented or defined yet; but they've certainly put that into this picture on page 43 of this government response. That really makes it look like a much bigger space, I must say.

Mr TURNER - The answer is no; and in any case, it couldn't have been considered because it wouldn't have fallen within the definition of the project in the Order for Her Excellency.

CHAIR - Right, thank you.

Ms FORREST - They told the PAC that they weren't going to let any go; they weren't going to make any land available.

Mr PRATTLEY - If you look at the Sullivans Cove planning, the act and the principles, protection of the operation of the port is one of the fundamental principles. Even if that land was developed, there are very few things that you could develop it for that wouldn't be in conflict with the port's operations.

When I was the chairman of the Western Australian Planning Commission, I had to chair the Outer Harbour Relocation Committee of government to relocate Fremantle Hub, because the intrusion of residential development and stuff around Fremantle Port was basically demanding that government build a new port, because it was no longer able to satisfactorily and safely operate as a port. They require about an 80-metre buffer zone for safety reasons alone; so to me that makes no sense.

CHAIR - Certainly, and without wanting - I mean, it's on *Hansard* from our GBE Estimates this week, so I would point people who are interested to check against what I'm saying - but my memory of the discussion from this week was that they said it certainly wouldn't be to the detriment of the operations of their port, and it would be for, potentially, without this being locked in, activities that they might be able to generate revenue from themselves, like car parking or the like. We don't really know exactly what might be made available, but it's certainly been presented as part of what the offering could be.

Mr TURNER - Ms Penn has quite a bit to say.

CHAIR - Thank you, Ms Penn.

Ms PENN - I just wanted to say, on the note of activation, the Mac Point Precinct Plan - we've talked in our report explicitly about how we believe it's not consistent, but there are details, and they're sort of the ones I think you've alluded to around vibrancy and activation, and it being a fabulous precinct that everybody wants to go, which is what everybody would like, and has been in place, I think, for a long time as an objective.

Why is activation important, what does it mean, et cetera? I don't want to waste everyone's time, but activation just means it's active; people go there because it's a great place to be. A great place to be doesn't just happen by magic. You don't just build something and then it's great. It's multifaceted: usually it works really well: it's accessible, easy to get to; it's amenable; it's comfortable, meaning there's somewhere to sit; it's quite warm; there's access to sun and shade, and you're protected from the elements. But also, there's stuff going on that's fun and usually that's why there is this point around an economic critical mass: it is critical to have enough activity in a given area.

It's a combination of program of what's going in there, how much of what's going in there is there, how good, what's going in there so people can say, 'I'm going to set up a great coffee shop, it's going to be fantastic', and they get a spot that's terrific. They put in an operator who really makes bad coffee, and the coffee tends to not be activated because people don't go there. Similarly, you all have examples of places that are little holes in the wall that are very small, but they happen to make fantastic coffee and they're full of people. So that's about the quality of the offer. That is just another aspect.

The point is in this case, we can't predict who will go in there, exactly, but we can say how much space there is for things to go in there, and also whether it will be a nice place to be, whether it will be safe, comfortable, inviting, and amenable. Our assessment is that it won't be, and that it's not possible to be because there's just not enough room on the site.

These are the areas designated for complementary mixed-use. As Mr Prattley said, they're quite awkward and relatively small floor plates, which mean that they may not be viable or suitable for a number of tenants. I want to point out they're constrained in a number of ways. The width between, that's a staircase there, between that and this envelope is about 5.5 metres. Normally, around a concourse around the stadium you'd have a minimum of 15. I think Marvel Stadium, at one point it gets down to about 10 metres at one spot where a couple of buildings and a corner comes in on plan, but then it quickly fans out. That 5-or-so metres continues along for the whole frontage of that building.

This is a vehicle ramp; that's another stair and a lift. The stair there is 2.4 metres wide, so as far as access goes, it's a relatively narrow stair for large groups of people. Let's say it's event mode, so it is active because it's full of people, hopefully having a great time at a footy match or a concert or whatever. There's no room for anything out here. In addition to those, accommodating those pedestrian flows, so anything out here being trees or seats or - even rubbish bins, you would be hard pressed to find a spot to put those in a way that they wouldn't impede the flow, particularly from emergency access.

As a result, the landscape plans show unmitigated paving. They don't show any landscape here; they show six isolated trees, no landscaping here because it couldn't be permitted. It would stop people moving through safely. It's asphalt paving and then these facades are in shade for the vast majority of the time. They're shadowed by the stadium and then the port activity has got noise and from both of these as well. They are also out of sight. So, if I was going to meet

my friend at a bar here at 8.00 p.m. one night in winter when it's dark, there's not a lot happening down here. There's a couple of spots where there could be active frontages, but the rest are substations and vehicle crossover. There's not really any scope. There's less than we've currently got with the Red Shed and the Goods Shed.

Let's say there's an event on there. This is pretty quiet. I would have to walk around the corner into this space, which is closed when there's no event on. This is now out of event mode. I would have to go around to this space, and I wouldn't really be able to see very far around the corner. From a public safety, or personal safety point of view, it would feel unsafe. It would potentially be unsafe because there are lots of hidden corners. That's going to make me not choose that bar. I'd probably be saying, 'Let's go down to Salamanca Place instead or somewhere else.' There are hidden corners here.

As I said, it sort of gets worse on here. To emphasise Mr Prattley's point, there's just not enough going on to mean that you have people around anyway working there, for example, or being present to generate enough activity, because I'd feel fine going up there if there was a lot going on, if I knew there were people there.

The other thing just following up here is there's nowhere else on the site those things can go. This has been designated as an Aboriginal culturally informed zone. We haven't been given any detail on that. However, it's also required from the expert witness, the proponent's expert witness on emergency egress, for corralling of people before they can move out of the site. So, that's a safe place.

Mr GAFFNEY - What's the width of that Aboriginal -

Ms PENN - This one? I would need to check my drawings. I can't tell you. The architect, Mr Alastair Richardson from Cox Architecture, also advised us in hearings that, when we asked about the location, there was no other alternative location for the stadium on this site. It's the only place it will fit.

CHAIR - As in orientation on the site - is that what you mean?

Ms PENN - Orientation - that's to do with the cricket pitch, and the way the sun works. That's a fundamental of any cricket stadium. But then, there's no other location on the site it could fit, given its required dimensions. Just one other thing: Mr Prattley said the rest of the space is residual, it's left over, it's not purposefully designed to be a great place to be, which is what good urban places are.

Mr PRATTLEY - The plan doesn't show how those mixed-use buildings could be serviced by vehicles or anything. One is right against the fence and for the others, there is a bit of space maybe, but it doesn't show a road or anything that would provide vehicle access to those buildings.

Mr TURNER - On one side you've got the working port with a secure boundary, and on the other side you're looking at the wall of the stadium.

CHAIR - And a very narrow walkway.

Mr TURNER - It's concrete. It's not a particularly attractive proposition.

CHAIR - I know there's some follow-up questions on this. I'm going to go first to Ms Thomas.

Ms THOMAS - I think you partly covered this by talking about limited space for trees and other things. In the recommendation report it says:

... the physical constraints of the site, are such that it is unlikely that there will be scope for general activation of those areas of the site which are not consumed by the stadium. They are relatively small, unlikely to support viable ongoing retail businesses and will be unattractive to visit other than to access stadium events.

Other than what you just pointed out, that further reinforces that anything else in terms of activation of the site on non-event days -

Ms PENN - I can elaborate a little bit because I just spoke about that western side.

Ms THOMAS - Yes. If you can elaborate a little bit. Also, on page 58 it says:

The Project does nothing to support the delivery of housing, as envisaged by the Precinct Plan, other than by nominating an adjoining location for housing and the creation of a way past the southern and eastern sides of the stadium by which residents may come and go to their homes.

If you could tie that in too, that would be great.

Ms PENN - I can respond to this and then I will ask Ms Fyfe to flick back to the previous plan and I can talk about housing.

CHAIR - We will break in about three minutes or so. We can come back to it after the break.

Ms PENN - Hopefully this is being heard. I commented on those already. I would add this is also created as a barrier to the port. We were concerned that it also limited the ability to visually connect. We were of the understanding that there had to be a secure boundary, but there could be visual connections through to the Derwent and to the activity of the port and the character of the place that were precluded by these structures. That was another counter that enclosed the space.

At the north-east corner, those two envelopes are designated for the Antarctic research zone, which could be activated during working hours by people coming and going, but not large quantities of people coming to events to those buildings. They're working buildings. They would probably get there by car or some other means and get to work and go home. They're working buildings.

The Goods Shed is proposed to be relocated. We had concerns about that from a heritage perspective, which we can talk about, but that is the kind of structure being finer-grained and smaller-scaled that could potentially create activation on the site because it can house smaller groups of people, still big, but smaller, as it does now from time to time. The problem is it's located to the most remote part of the site, and it's between the stadium and the escarpment, so

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it's effectively hidden behind them. So again, using myself as an example, if I'm going to a wedding, I would want to drive there, or I'd get a taxi or something, because if I have to walk across this at night, this is going to be empty. There's nothing happening. It's dead space. There's no one else around. This is quite a long way to go. It's scary.

Not only that, but the cricket nets are also supposed to be here and they're not high in my understanding. We didn't have a lot of detail, but we think we can look past them, but you can't get through them. So, they create a barrier -

Ms FORREST - They said you can see through them but you can't walk through them, which is not necessarily making me feel safe.

Ms PENN - Walk through them, that's right. They are buried, though, so you can see across. But they create an entrapment space here which is - what that means is, it's a sort of space that if you happen to be here, and there was somebody coming along who was -

Mr PRATTLE - Sinister?

Ms PENN - Didn't have good intentions -

CHAIR - With ill intent?

Ms PENN - Exactly: you don't have an escape route. And even if you do - I think there was a later proposition to potentially create an escape route - it's not very evident; it's not intuitively obvious. So, you would just avoid that, particularly as a woman.

Also, the space between the Goods Shed and the escarpment is about 8 metres, eight-and-a-half metres, which is very narrow. It means that this becomes really only activated for specific functions like a wedding that everyone might probably drive to, or get a lift to, rather than moving through the site. It's the moving through the site that would activate it.

Then, over here, there's really nothing else that's going on other than in events. In events: extremely active. Out of event mode: dormant. The site is dormant. We don't think these are viable for businesses other than potentially commercial, and even then I'm not sure why you would, because they're not very pleasant places to be, but somebody might want to, but not for hospitality.

CHAIR - Okay. Thank you very much, Ms Penn.

Ms PENN - On housing?

Ms THOMAS - We'll to come back to the housing. We will come back to that.

CHAIR - We're going to come back to that, because we've got another follow up. We're going to take a 15-minute break. We're going to come back at 3.26 p.m. and resume the hearing.

The committee suspended from 3.11 p.m. to 3.26 p.m.

CHAIR - We will now resume the hearing with the former TPC panel members on the Integrated Assessment Report. We were dealing with some questions that related to activation

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of the site. I think we were going to go back to complete some answers on those questions, particularly relating to the transition around the housing areas on the site.

Ms Penn, you were taking us through some things visually on the screen or perhaps you're just going to speak to it.

Mr TURNER - We've put up a different plan and this appears at page 47 of the government's response. It's just easier for Ms Penn to show the housing component.

Ms PENN - Can I just point out, though, that I had not seen the government's response until today. I understand that that plan was extracted from the proponent's submission from their -

CHAIR - To the TPC panel assessment process.

Ms PENN - Yes. I don't believe it's new material from the government. I think it's part of the current proposal as we assessed it. Anyway, I'm just going to talk in general terms.

CHAIR - Just for technicalities at our end, I will table the government's response so that we've got that as part of the record of our committee.

Ms PENN - Thank you. Just very briefly to address the question about housing, the point was drawn from page 58, where we state in paragraph (o) that the project does nothing to support the delivery of housing, as envisaged by the precinct plan. That is our belief, that is our position. The reasons I'll try to outline by pointing to the plan.

This is the location where housing is proposed. There's a couple of things. One is that there was no further detail provided to the Planning Commission about what that might be other than an indication of location. So we couldn't assess any more than that, but just by the location alone it's inherently problematic, particularly for key workers, which is the intent, because it's remote. Anyone going here to walk to services, to go and buy a loaf of bread, or go to the supermarket and carry things, you certainly can't walk. There's no public transport, so you have to drive. That's fair enough, people do drive, but there's nothing around you that also activates that space as a place that's positive and vibrant. It's a good bit of land, it's facing north, it's got a great outlook so it probably would be a nice place to live as an enclave, but not as an integrated part of a community. It doesn't enable community.

There are another couple of critical factors that would make it very difficult and limit its attractiveness as a place to be and I think potentially create the risk that it would be an enclave, but for people who don't want to be in an enclave necessarily. This northern access road is intended not only for construction and access for the stadium, but also most critically for the port. So it would be a freight road that would need to be upgraded to handle freight, trucks and so on moving in and out. That becomes a major barrier to people who'd be leaving here from the Domain and the stadium. They can still walk around, of course, but this is all road and port infrastructure.

The site would be inactive other than in event mode, and isolation is the main problem with housing and we didn't have further detail to assess whether that was managed or mitigated in some other way through the detail, and we didn't believe it could be.

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Mr TURNER - In addition, the plans we have show the bus plaza, which is immediately adjacent to gate 4, but evidence has been given to the effect that that's likely to be relocated to somewhere on the Domain as part of the northern access road. It's not intended, as we apprehend, to be where it is presently depicted.

Mr PRATTLEY - The other issue on the housing is that it's located next to the Antarctic wharf, which is a 24/7 operation -

Ms FORREST - And the boats are noisy.

Mr PRATTLEY - and that's well within an 80-metre safety buffer. I would actually question the suitability of that site for housing, even though it would have very attractive views. In the future it's either going to compromise the port's operations, or it's going to be an unsafe place to live, I would think.

Ms PENN - Yes, hazards as well as noise impacts and freight impacts. There was another part of the question I was going to answer.

Ms THOMAS - No, I think you answered it earlier.

CHAIR - I think we have a question from Ms O'Connor that follows on.

Ms O'CONNOR - Thank you. In terms of urban use, the Palawa people of Tasmania were promised a truth and reconciliation park. Professor Greg Lehman presented to the panel and said of the alternative to the truth and reconciliation art park - and this might be a question for Lynn Mason, in a way - that these:

... gestures amount to what I would characterise as a typical example of what is commonly called 'Black-cladding'.

The panel found that:

No evidence has been provided that persuades the Panel that the Project properly acknowledges, respects, reflects, or celebrates Aboriginal cultural associations and values.

That's a damning statement. I was wondering, Ms Mason, if you wanted to reflect on that, given the loss that is felt by Tasmanian Aboriginal people over this?

Ms MASON - Thank you, Ms O'Connor. I think, during the hearings, it was one of the most telling aspects of submissions that we heard in that it was the diminution from what had originally been planned for the area prior to the concept of the stadium. As it gradually shrank and then got back to that tiny area - that dark green bit that's now there, which is based immediately by the Brooker and the Tasman Highway - it has become 'tokenistic' is too light a word, I think, to use for this way of dealing with the ancestors.

I think also the question of what happens with the artefacts and anything that might be found in the land that has still to be explored for the making of the northern access road, for example, has not been dealt with. While there are acts which will cover that, the necessity to have that road built is incontrovertible; it's got to go ahead one way or the other.

That particular statement on page 100 is that it's very likely that project will have significant negative effects on Aboriginal heritage materials, because it seems to be almost unavoidable, but that's just the view of the panel. It may be avoidable, but it will need to be very carefully managed.

Over and above that, I think the lack of consultation with the Aboriginal community means that we were unable to give any kind of objective - any kind of assessment, really, of how the Aboriginal community felt about it, because of the reasons they give here, that the Aboriginal community need to speak to the Aboriginal community but they were for various reasons too busy or whatever. What we heard was that sufficient time simply had not been allocated.

I know from my own experience that consultation with Aboriginal people is complex, it's lengthy, it's difficult. It's very interesting, but you need to take time. You can't rush it. That seems to me to have been a failing in process here, which has led the panel to actually have to reach a conclusion that this has not been satisfactorily resolved, and in fact has been quite damaging in its way.

Mr TURNER - Professor Lehman gave evidence during the course of the hearing that he received a call from the Chief Executive Officer of the Macquarie Point Development Corporation two days before the announcement of the precinct plan took place. We were startled by that.

Mr PRATTLE - If I could just add to that, I think the evidence that we heard showed that there had been almost a best-practice consultation process on the previous reset master plan.

Ms O'CONNOR - Fully led by Aboriginal people.

Mr PRATTLE - Yes, and had obviously been very productive in terms of the results that came out, and included everybody; this, by contrast, this is token.

Ms PENN - The only thing to briefly add with the plan, too, is that with the culturally-informed zone, as it's nominated there, on the landscape plan submitted by the proponent, they do not have a landscape plan there; they've just got that designated as for future development because there needs to be consultation. I want to flag that, on the one hand that's good: there's acknowledgement of the need for consultation. On the other hand, in terms of current practice for major urban public places now, you certainly don't allocate or corral an area and say, 'That's for the First Nations people over there.' Best practice - and its not even best practice, its just good practice in Australian urban projects -

Ms O'CONNOR - Disrespectful.

Ms PENN - It's disrespectful, all of those things. - but what you would do in terms of getting a really good outcome, from an urban planning point of view, is you'd engage meaningfully. Because the insights that come from both traditional owners as well as Aboriginal experts in urban design and architecture and so on, which is what was done, for example, at Circular Quay, they inform how you would respond to the site: how you might treat water, how you might treat flora and fauna, where you might locate certain elements that celebrate aspects of place that are fundamental to it and have been for millennia.

It's problematic. The lack of consultation is the critical thing, but the fact that it hasn't informed the actual solution is also problematic in terms of a good urban outcome.

Ms O'CONNOR - It's a bit 'take it or leave it', and Palawa people might wonder what is the point of consultation when they're just being offered this corner, and noting that there's no funding set aside to create this culturally informed-zone, as it is, to date.

Ms PENN - We can't comment other than what we've reported what was told to us by experts, which we think speaks for itself. Thank you.

CHAIR - I'm going to move us on to another relatively sensitive area as well, and that's relating to the Cenotaph. You've got that in part 4.1 of your report. I'm looking in the report on page 80, and across to page 81, and noting two things that you've said there:

- (e) The built form of the stadium will have a significant detrimental effect on the visual amenity of the Cenotaph and the way it is understood and experienced.

On page 81:

- (g) Both the proposed built form and the use of the stadium building will have a significant detrimental effect on the historical cultural heritage and community values of the Cenotaph.

Then I look to the government's response to your report, and I will quote a couple of things from that on this topic. Page 58 of the government's response:

... acknowledges that the stadium development will have an indirect impact on the Cenotaph.

And then a bit later:

... the Cenotaph has been subject to an evolving landscape around it over the last century.

They also say it:

... will offer the community more opportunities to engage with the Cenotaph and its significance, providing new viewpoints and public spaces to appreciate the Cenotaph from.

I'm wondering, because we have also heard from other people in briefings, the RSL, for example, about the importance of our Cenotaph, and a lot of people in the community might not have considered it deeply at this point. Could you speak a bit more about your assessment, in juxtaposition, really, to the government's response?

Ms PENN - I can speak to that, if colleagues are happy. On the heritage indirect impacts, just to clarify, that definition came from the proponent's heritage expert, Mr Jim Gard'ner, who's a highly-respected, credible heritage adviser. In his submission - I just want to quote from his submission as part of the proponent's original submission, and then he reiterates these

points in his evidence to the hearings. He assesses the heritage impacts, and in his summary, he says that the most important mitigation measures happen in the early phases of a project, including the site selection and design processes. I'm skipping; I'm not quoting every word:

The principal way to prevent or avoid heritage impacts on the study area, and more broadly, central Hobart and Sullivans Cove, is not to construct the proposed stadium.'

He goes on to acknowledge that the site has been chosen, therefore he has to then work within that as a parameter, and says:

It is the roof form that has the greatest visual impact on the setting of the historic centre of Hobart, Sullivans Cove, Constitution and Victoria docks, the Domain, and Cenotaph.

Just to clarify, when he says 'indirect', he has a very specific definition that he was at pains to explain at the hearings.

CHAIR - Could you elaborate on that for us here, just so we properly understand it?

Ms PENN - Very briefly, yes. It's simple: if it's physically impacted, it's direct.

CHAIR - So if we were to be cutting away part of the Cenotaph, that would be direct -

Ms PENN - It would be direct.

CHAIR - But anything else not touching it would be an indirect -

Ms PENN - Indirect: so, if it sat 1 metre away but wasn't physically altering the fabric, it would be indirect.

CHAIR - Okay. So we aren't to understand that use of that term to be a positive, as in not much impact. It's not a quantum of impact.

Ms PENN - Correct. He was at pains - and I don't have his words in my head at the moment - to point out it doesn't indicate more or less significance in terms of impact. It's not better or worse; it's just a different kind of impact.

CHAIR - Okay. Not physically interfering.

Ms PENN - Purely that it's not affecting the physical fabric.

CHAIR - Thank you. So, then in terms of those matters that I quoted from the government response on page 58 about:

... the Cenotaph has been subject to an evolving landscape around it over the last century.

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This project apparently:

... will offer the community more opportunities to engage with the Cenotaph and its significance.

Those sorts of sentiments?

Ms PENN - Look, I have very strong views and I believe the whole panel does, and we were informed, and those views were intensified by the evidence we received from the RSL and others who addressed us on this matter. The Cenotaph is an object, it's a physical object, but it's not just that. It's on the Domain, which is a prime piece of Hobart's landscape.

CHAIR - We would probably refer to it as the headland, because the Domain is a different area in our minds, which is further up the hill.

Ms PENN - The headland? Okay. Oh, sorry, that's me. Apologies.

CHAIR - So if we refer to it as the headland, that would make sense to us.

Ms PENN - And that headland, with Battery Point, are the two elements that embrace the cove and they form part of Hobart's identity. They're recognisable: that's part of Hobart. That is a really prime, significant piece of land. The fact that the Cenotaph is on it was a decision that was made 100 years ago - in fact, exactly 100 years ago -

CHAIR - On 13 December, yes.

Ms PENN - and that's been protected and maintained through the last 100 years by successive local and state governments as sacrosanct. So what that tells you is: the Cenotaph isn't just an object that you can go and have events at from time to time, commemorative events. They could still occur; the stadium wouldn't stop commemorative events from happening. I think that's clear, because it doesn't stop that space being used. But what it does is, as I pointed out, it's more than double the height of the headland. It's another 30 metres above the ground level of the Cenotaph in close proximity. The roof does recede as it goes away, and then it - so it's not - the height isn't right next to you, but it is very, very close.

That intrudes significantly from a visual and spatial point of view, but it also dominates - it's bigger than the headland, so it takes away the primacy of that location as the incredibly significant place that Tasmanians have nominated to commemorate returned service people and lost service people. The concern that we express in the report is that it fundamentally undermines the primacy that has been given to the Cenotaph in that location.

I think it's also really important because that spatial role in the city and around the cove is something that people understand intuitively and subconsciously. Some people engage all the time: they visit the Cenotaph, they are very conscious of its role and its presence. Other people who've lived here forever probably aren't even aware of it. Who knows? People have different degrees of awareness consciously, but subconsciously, anyone who's spent a fair bit of time in the city knows what Hobart's character is, and there's a big bit of land up there that's got not much happening on it. It's like that because the Cenotaph houses it and it's because Tasmanians consider that to be incredibly important -

Ms O'CONNOR - Sacred.

Ms PENN - so much so that nothing else happens there because we think this shouldn't be intruded on. I hope that answers the question.

CHAIR - Thank you, that's really useful. I appreciate it.

Mr TURNER - If I could just say this. The part you read says:

... it's important to acknowledge that the Cenotaph has been the subject to an evolving landscape around it over the last century.

Of course. Macquarie Point area has been the subject of that and the picture on page 58 shows a number of railway sheds. That wasn't the issue for us. The issue was the size and bulk of the stadium. So it's a little misleading to contend that in some way we were ossified, if you like, in our thinking that this has to remain the same. It doesn't. It's always been earmarked for development. The issue is the nature of the development.

Ms PENN - Can I add to that? I wanted to address the point Mr Turner raised, which is the thing about scale. There's a difference between scale and size. Size is about empirical dimensions. We know it's big, it has certain dimensions. All stadia are big, they've got certain dimensions, and some of them are a hell of a lot bigger than this one.

But scale is about relations between things. Something of the same size can sometimes feel bigger or smaller, depending on what it's in and around, and that's how we perceive scale. This is a very big, singular, homogeneous object, so as I said before, it just reads as a big element. It's in a relatively small city and it's surrounded by relatively fine-grained buildings and places. That fine-grained context means you read the size of it - because it's so close and so big in that context - as really huge.

Whereas, for example, the MCG, which houses 100,000 people, is relatively a long way away from the CBD. It's a bigger city, but it's also got a lot of space. In proportion to the city the MCG is fabulous. It's to do with the space proximity and its scale in relation to things. The Cenotaph is quite diminutive and delicate in comparison, so that proximity accentuates the scale and the perceived difference between them.

CHAIR - Thank you. That's a useful explanation of that relativity to the surrounds. We want to move to a couple of other areas. The first one we'll look at is some of the environmental matters which are dealt with in section 8 of your report. I know there's a couple of areas of questioning we're interested in there. I'm will throw to Ms O'Connor in a moment. I probably caught her a bit unawares that I was going to get there this quickly.

Ms O'CONNOR - Thank you. In Estimates last week we asked a question about contaminated soils beneath the footprint of the stadium. Macquarie Point Development Corporation informed us there was, by their estimate, around 130,000 cubic metres of soil that could be level 1, 2, 3 or 4 under the footprint of the site. Later on, the Environment Protection Authority (EPA) came in and I put the same question to them. They said up to 220,000 cubic metres of contaminated soil under the site. I believe the panel was dealing with Appendix LL, which was the 2021 site environmental management plan by AECOM, which

I might say has a number of spots in it which say - when we're talking about potential chemicals of concern - 'Error - reference not found'.

In the introduction to your report, the panel indicates that on the basis of the information it's received it recognises there are some unresolved questions but it hasn't elevated environmental risk as one of the bigger issues. Is the panel comfortable that the material provided to it by the proponent appropriately and adequately detailed contamination on site?

Mr TURNER - There are known unknowns. That is to say, it is known to be contaminated in some areas, but the extent of the contamination is not known exactly. What we were confident about is that steps can be taken to treat contaminated soil which will undoubtedly be encountered when the excavation takes place. What is the extent of that, I don't think anyone can confidently predict, but what can be said is that we were satisfied with what is extracted can be treated and ultimately disposed of.

Ms PENN - Under audit processes.

Mr TURNER - Yes, of course. But again, that's a management issue.

Ms PENN - Yes, but it is critical that there's the appropriate processes -

Mr TURNER - Environmental auditor.

Ms PENN - to ensure that expert audits are undertaken and given to government for its assurance that those matters are being addressed and safety and health are not impacted.

Mr PRATTLEY - The way the conditions were drafted - I'm not sure; we haven't seen the conditions on the Order, but the conditions will be considered during the hearing - it would have the capacity to stop the project if they can't demonstrate those things. That's an issue for government in that you could spend hundreds of millions of dollars and get to a point and say, 'We can't go any further.'

There's certainly dangers, I think, in the approach, but it is protected if those conditions are carried through into the Order to a degree, but there is a lot of uncertainty. I think it's indicative that when we raised the issue in the draft report the proponent changed the carpark design from three-storey to two-storey so they didn't intrude into the groundwater layers and the contamination, which I think reflects as a serious concern about what the potential is there.

Ms O'CONNOR - The Treasurer walked away from the carpark last week in Estimates, but in a letter he wrote to Mr Roland Browne he states, 'the physical work for the remediation of the site was complete.' Is that true, because I don't think it is?

Mr PRATTLEY - It was complete, as I understand it, for the reset site development plan because things have been capped and it's not disturbing the lower levels. The previous plan didn't intrude into those things, so it doesn't become a major issue.

Ms O'CONNOR - Okay, thank you.

Mr PRATTLEY - Because of the excavation and depth this project has to go to, it does become a major issue.

Ms O'CONNOR - Was the panel aware that there's up to 220,000 cubic metres of contaminated fill beneath the footprint of the stadium?

Mr PRATTLEY - I don't recall we had that evidence. We knew there was a lot, but I don't recall there being a figure.

Mr TURNER - I can't recall it either.

Ms PENN - If contaminated material has to be removed it needs to be remediated somewhere and that's another challenge. But as Mr Turner's addressed, ultimately we were satisfied that it could be addressed. If it couldn't have been addressed, we wouldn't have accepted that. Not that we didn't have the solution or weren't given the solution, but we understand there are solutions that could be applied.

Ms O'CONNOR - I guess that's my question - how are you sure it could be addressed if you're dealing with the 2021 environmental management plan and have only the assurances of the proponent that it can be addressed?

Mr PRATTLEY - Well, we didn't recommend that the project proceed.

Ms O'CONNOR - Yes, thank you.

Mr PRATTLEY - If it did, we were saying there should be conditions that can call the thing to a stop if those issues can't be satisfactorily addressed.

Ms O'CONNOR - One of the other matters that came out in Estimates was confirmation that the Copping C Cell has, as I understand it, and just trying to recall the numbers exactly, but I think it's a 45,000 cubic metre capacity for Level 3 contaminated soils, which contains chemicals like arsenic and cyanide, materials like asbestos. I know it's dealt with in the report in part where you talk about, if this happens and this happens and if this happens and if it's dealt with on site then it may be able to be managed. But if you've got 220,000 cubic metres of fill and a site that has a 45,000 cubic-metre cap on it in any given year, was the panel assured by the proponent that it had the understanding of the materials on the site and the capacity to store poison soils safely on the site during construction?

Mr PRATTLEY - From my point of view, no. The other issue around that is, certainly from my experience in Sydney with the road's redevelopment area, which has been on paint factories and lots of similarly noxious things, it took two or three years to remediate soil on site. It's not a quick process.

Ms PENN - With major infrastructure, increasingly over the last 20 years, there's been a tendency of governments to defer risk to major contractors. Usually, that's come back, and it's been acknowledged, I know, in certain major jurisdictions that you can't allocate latent conditions risks. It's just too hard for a contractor to quote or to work out what they might be. Normally, government takes that risk, and to minimise their exposure to what Mr Prattley referred to before i.e. spending a whole lot of money only to find that there's something that's impossible or it's so expensive to rectify that it's impossible.

Extensive due diligence is normally done to make sure that's properly costed and allowed for and you've got the strategies that you're talking about. That's really not the planning

assessment. Our assessment was, 'Could it be managed, could it be done?' And we assessed, yes, it could be.

Ms FORREST - On the information that you had available to you at the time.

Ms PENN - On the information that we had. Our job wasn't to assess how much would that cost. We're not the policy-makers or the decision-makers in terms of, for example: 'Is this something we want to spend the money on?' I can't remember what we had in terms of our economic analysis. As Mr Wallace has said, we did ask for a cost plan which provides the quantity surveyor's breakdown of the capital costs. We didn't receive that, so we don't know what was in it. The cost plan would normally have some sort of allowance including contingencies and so on. We don't know what they were so we can't comment on that.

Ms O'CONNOR - In the costings that we have so far for the stadium, and in some of the risks that are elevated for costs in the report, I don't see any mention of the potential risk of a much more expensive remediation task. I mean, does the panel accept that there's a lot of, as Paul said, unknowns here or known-unknowns, and that they may become very expensive apart from being very toxic known-unknowns

Ms PENN - I think it's a good prompt. I will point you to page 136 of our report, paragraph (u), which is in that section where it is not a big statement, but it says:

Notwithstanding the uncertain cost and time implications of remediation ...

That's our reference and you will find that kind of reference throughout the document, such as with emergency evacuation that we spoke about earlier where we note that there would be significant time cost and resource implications. We don't know what they are. We are not able to assess what they would be, but we're flagging for the reader that there needs to be some allowance in for those in your consideration.

Mr WALLACE - There were quite a number of, not saying this is relatively small, but quite a number of things relative to the cost of the stadium, costs that we knew would happen, but we weren't given information about what that cost would be. There are heaps of things that we talked about before: upgrading, widening footpaths, cost of traffic management, noise and dust abatement, this sort of thing. There's a lot of costs that aren't in there. That's why we make the comment about, in a lot of respects, we think the assumptions that have been made about those things are optimistic, and that's why it's about the benefits, because a number of the benefits require investment as well, and that's not in there.

Mr TURNER - I was going to say that in this section we're dealing with environmental effects rather than costs, and we draw a lot of comfort from what the EPA said, as appears in (r) on page 135.

Ms O'CONNOR - I was going to take you to what the EPA said. On 24 October 2024, and I don't know that the EPA informed you in that more recent correspondence, that there was actually, by their measure, 220,000 cubic metres of toxic soil under site. But on 24 October 2024, the EPA noted the lack of a development-specific Environmental Contaminated Land Auditor Site Suitability Statement. It never has been provided yet, has it?

Mr TURNER - No.

Ms O'CONNOR - They noted that the environmental management plan from 2021 was relevant to another project. Said that the site needs a groundwater impact assessment; that hasn't been done yet, has it?

Mr TURNER - Not as of the time that we assessed things. Could I just say, that correspondence, was that directed to the TPC?

Ms O'CONNOR - Yes, to the Acting Executive Commissioner of the TPC.

Mr TURNER - It's about 13 pages, or thereabouts?

Ms O'CONNOR - It's the long letter from the EPA from last October. Yes, it's 13 pages.

Mr TURNER - The position of the EPA changed somewhat from that point.

Ms O'CONNOR - Was it when they got a new Acting Director?

Mr TURNER - I don't know why; I won't speculate on it. But the point is that information was sought from the EPA, pursuant to it having been identified as one of the relevant agencies, and it was invited to provide information, which that correspondence is directed to. In one way, it could be characterised as: 'We don't really want to make statements that are definitive', if I can put it that way. Later on, the information and evidence from the EPA was more extensive in terms of dealing with what were expected to be the contamination issues, I'll put it in that way.

Ms O'CONNOR - Thanks, Paul. The question really is, the EPA detailed a whole range of concerns on 24 October 2024 in a letter signed by Acting Director, Cindy Ong. Did the panel go through the very serious issues that were raised in the EPA's October 2024 letter and seeded all their concerns?

Mr TURNER - We considered that, but we paid cognisance to what was subsequently delivered, which overtook a lot of that.

Ms O'CONNOR - Right, okay.

CHAIR - We're going to move to a different area; I'm mindful of time. I'm going to go to Ms Thomas, who wants to speak with you about the transport and movement chapter of your report; that's part 7 of the report.

Ms THOMAS - Thank you, Chair. On page 25 you talk about transport movement and access:

The Proponent and its expert transport witness proposed a 60-70% non-car mode share, with buses and ferries playing key roles, stating that a 10-bay bus plaza could serve up to 8,000 passengers, and behavioural shifts towards public transport were expected after a few events.

You go further on page 30 to talk about the capital scope of the project, and say that:

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... a range of supporting works are necessary to enable the stadium to be accessed and operate effectively ...

including a bus plaza and extra buses. There's a further note in point (s) under Capital scope that:

... the Proponent argues that these are either necessary for any alternative development or Macquarie Point or are a commercial nature -

The projects including the bus plaza and extra buses -

... or, in the case of the required buses, can be amortised over an extended period by using space capacity in the school bus fleet.

And:

The Panel has formed the view that they are essential components of the Project and must be taken into account, and that none were pre-committed.

I'm interested in exploring with you - perhaps Ms Mason, with your experience as chair of Metro, what your understanding is, or how you drew those conclusions and concerns about that not being included in the project scope and the actual feasibility of what the proponent is proposing?

Ms MASON - The feasibility would probably work. What hasn't been taken into account is how long it takes to do this kind of project development. Any kind of infrastructure, including buses or transport mechanism, whatever, that sits around for much of the time doing nothing is money down a hole. The idea that somehow you can bring in 80 new buses to a fleet rapidly - I know how long it took us to get 100 new buses for Metro when I was chairing. It literally took about three or four years of lobbying and a huge amount of expense to actually get that, and they were needed.

Ms FORREST - And they were government funded.

Ms MASON - Yes, they were.

CHAIR - We don't have the capacity - sorry to jump in. Can we repurpose buses for events, for example, football events? Our school bus fleet isn't going to be used at that same time, for example, on the day and time that a football match is going to be held. Can we repurpose buses we have, rather than have to supply new ones?

Ms MASON - You could, but it would depend on the size of the bus fleet in Tasmania, in particular, in the south of Tasmania. You're not going to bring buses down -

CHAIR - You're not going to bring them from Wynyard.

Ms MASON - from up north to do a few hours of service in Hobart. There's practicalities of the whole issue that have not been countenanced.

I also had some problems with the idea that you could get 8000 people onto 10 buses within the space of - I think they allowed 20 minutes. I consider that that is a gross understatement of the amount of time that is required to get people effectively onto buses without allowing for the things that go wrong with people trying to board buses.

When the bus terminal was originally envisaged, where I think it still is on some of the plans, that it would be on that teardrop shape there, that was, I suggest, never going to work because you've got a curved shape and you've got articulated buses and it just doesn't work. You have to have a straight surface. Now, we don't know where the bus terminal is going to be -

CHAIR - The drop-off zone and pick-up zone.

Ms MASON - We have no idea, but we envisage, as has been previously mentioned, that it will be somewhere down towards where the housing is envisaged - down that end of the northern road. There has been no allowance made, from what we've received from the proponent, for how far people may have to walk in order to get that.

The size of the footpath that will be required to accommodate if, as proposed, approximately 16,000 people who are going to walk out there and get on a bus, the practicality of trying to get them into a footpath space that is perhaps only slightly larger than a normal footpath, on a road that is used by port traffic - it's going to require a lot of management and planning along very strict guidelines for safe public transport use in order to allow that to happen. It's not going to be easy and it's not going to be quick. You then have to find drivers at times when -

CHAIR - We have some issues with that in this state already, I think.

Ms MASON - I think we probably have. It's a very large problem that has been, to my way of thinking with this, a bit swept under the carpet. There also has to be room for the buses to be on standby, waiting, which is potentially in the Domain. Where in the Domain? Anyway, that's another one.

CHAIR - Because that will be occupied by a lot of cars parked by visitors coming to the stadium.

Ms MASON - Yes, I was thinking about that. The other one also is that the buses must have the capacity to safely pass one another. You can't have eight buses lined up on the assumption that the bus at the front is always going to be full first. It just doesn't work like that. There has to be that capacity of passing and passing safely in a time-efficient manner. That again is going to require quite a lot of planning, a lot of space for both passengers and the buses themselves, a lot of extra drivers, and a large capital investment.

Ms PENN - Can I just add a point too that I think is implied in everything Ms Mason just said, which is disability-accessible access. The curved kerb really doesn't work for people with prams, who require level access; also, repurposing school buses might also preclude that. I don't know the state of the school buses, but there are issues around people trying to move large volumes of people very fast, which is what the plan relied on.

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CHAIR - Our school bus fleet, I think, to be fair, is not modern. It's an ageing fleet, I would think, in some instances, not all instances, but probably not all accessible.

Ms RATTRAY - I think there's a standard for the school bus fleet, I'm pretty sure there is, you know, of a certain age, you have to -

CHAIR - I'm not sure that they're accessible for disability, all of them, though, for example.

Ms MASON - I'm not sure how many kneeling buses there would be in the school bus fleet, which is fairly critical.

Mr TURNER - In response to that, Ms Rattray: the proponent was contemplating 80 buses at \$600,000 each. That's the \$48 million we took into account, but there was a suggestion that they would be acquired in some conjunction with the upgrading of the school bus fleet. You'd probably be aware that contracts are given to folks from State Growth in relation to school bus services. I apprehend that there was some thought being given, well, they might not necessarily be Metro buses, they might be new school buses, so to speak.

CHAIR - At least we'd get dual purpose out of it.

Mr TURNER - But there was never any discussion about upgrading existing buses as opposed to upgrading the fleet.

Ms MASON - If I may, there were just a couple of other points there: one is the mention of ferry services. Well, there's been absolutely nothing done about that. It's all very well to say, somewhat imaginatively, I suggest, that 15 per cent of people will travel by ferry. There's no provision for the kind of infrastructure that would be needed for that, or the ferries themselves, for that matter.

The other one is the supposition, which the panel treated with some scepticism, that approximately 60 per cent of people would come by public transport. I think one of them might have been an 80 per cent estimate. We had a saying in Metro when I was there - and we knew that our greatest opposition in Metro was the car - and there was a saying there that people would drive to the toilet if they possibly could in Tasmania, and I don't think much has changed.

Ms FORREST - That's absolutely true. If they can't get a park right outside the shop, they won't go in, in the country especially.

Ms MASON - Exactly. So, that's a whole mindset that you have to change. We have used buses quite effectively for Bellerive, but it's nowhere like trying to bring them into the centre of the city at potentially difficult times in order to service a vastly-increased number of people.

Ms PENN - The other thing that we did say in the report was that - the aspiration for mode change is excellent; you really want people using public transport. I mean, I don't think there was any dispute with the proponent's proposition or aspiration, but as Ms Mason said, it takes a lot of time, takes a lot of money, but it also takes desirability. If the bus is going to be on time, is convenient, you can park and ride, it will leave quite quickly and you won't be exposed to terrible wind or rain, it's quite comfortable. Then it becomes desirable, and you do it, but if it's not desirable, then why change if you can drive?

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Ms THOMAS - Ultimately, you know, these things are possible, but there was no costings provided, there were no plans provided at this time to the panel, there was no evidence that it had been fully thought through or there was a budget allocation, and, in fact, the proponent argued that it was outside the scope of the project.

Ms MASON - From what we could see, there was remarkably little consultation with Metro, if any, and with the school bus fleet operators, I don't know whether there'd been any consultation whatsoever. We were not privy to that.

Ms THOMAS - Did Metro provide a submission or any evidence, or did any bus providers?

Ms MASON - No, which speaks for itself, I think.

Mr TURNER - The evidence was that there would be a need for 80 buses and that they would cost \$600,000 each. From the outset the proponent contended that a number of things were outside the remit of the project, and from the outset we disagreed. We made that very plain on repeated occasions. The quarrel, if you like, continued, including to the final submissions that were made.

That was one of the reasons why we appended to the report the advice from Mr O'Farrell SC, because from an early point we had formed the view - I'm a lawyer, I formed the view - and we wanted the comfort of someone else's views, and we didn't want to be faced with the argument, if you like, that we were wrong. I mean, you can argue that if you want, but we wanted that comfort and that's why we -

CHAIR - You've included that.

Mr TURNER - Yes.

CHAIR - I'm just going to follow up -

Mr PRATTLEY - It's also important, I think, that the solution that did come only came in response to the draft report, which pointed out the problems of the bus bay, and pointed out, if I remember correctly, that it would take 80 minutes for everybody to board buses or something -

CHAIR - To board people.

Mr PRATTLEY - which people are not going to tolerate, and it had only 5 metres of space for them to be stored.

CHAIR - Thank you. I know there's a follow-up for Mr Hiscutt.

Mr HISCUTT - It may have been slightly answered, but I'd still like to ask. Skipping somewhere completely different but relevant to this, on page 107 it talks about the northern access road in relation to an Aboriginal context. Paragraph (k) is a statement by itself and I want to make sure it's in context, because it says:

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- (k) A northern access road will be required for the Port of Hobart, including Australian Antarctic Division shipping activities, to operate efficiently.

I wonder if you could set it in context and your understanding that there will need to be a northern access road anyway for that? Therefore, does that -

Mr WALLACE - This in the context of if there's a stadium?

Mr HISCUTT - If there's not a stadium -

Mr WALLACE - If there's not a stadium, I know this proposal has been around for years but no-one could see a business case or a cost-benefit to justify doing it, but if a stadium is built, and has to be done for both the stadium and the port. That's my understanding.

Mr PRATTLEY - If my memory is correct, the Commonwealth funding for Macquarie Point - that \$240 million - is predicated on building a northern access, right?

Ms O'CONNOR - Isn't it in the City Deal?

Mr PRATTLEY - Sorry, it might have been the City Deal.

Mr TURNER - It's been mooted for a long time but it's gone nowhere and because of the stadium requirements -

A witness - [inaudible].

Mr TURNER - Exactly.

Ms PENN - In other words, they can get away without it at the moment, the port can function, but with the stadium there it couldn't, effectively; the two couldn't function without that road being there.

Mr TURNER - Part of that, Mr Hiscutt, is because when there are major events at the stadium, Evans Street will be closed and there won't be any access to the port, so you have to have the northern access road to service the port.

Ms THOMAS - Back on the transport issue, another project that's long been mooted is the activation of the Northern Suburbs Transit Corridor. Obviously, that wasn't mentioned in the proponent's application or submission at all, which I found to be rather curious given the government supposes to be actively working on a strategic business case to put to the federal government for funding. Did the panel hear any evidence about that or ask any questions of the proponent on that topic?

Mr TURNER - No, but it was an issue that cropped up in a number of the representations that were made in relation to the draft integrated assessment report, so a number of people were concerned about that and raised it.

Ms THOMAS - But the panel didn't make any findings or reference to that?

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Mr TURNER - No.

Ms MASON - We had nobody in authority who could give us any definitive answer. The information simply wasn't available.

CHAIR - Thank you. I'm going to throw to Mr Gaffney and I know he's got some short, sharp things to work through with you.

Mr GAFFNEY - Some of your responses have already touched on elements of these three questions. You might want to divide them up and then there's an overview question of the three.

The first question is: did the government supply complete, independently testable income modelling? Second, was full cost modelling provided with contingencies and escalation included? Third, was a risk management plan supplied, outlining downside scenarios and stake exposure? The overview question to those three would be: can a project of this scale be properly assessed without those three elements?

Mr TURNER - Mr Wallace will start.

Mr GAFFNEY - Did the government supply complete, independently testable income modelling?

Mr WALLACE - Income for the stadium operations?

Mr GAFFNEY - Yes.

Mr WALLACE - In the initial KPMG report they did an estimate for the government of the revenue and the cost of operating the stadium. That got replaced through the public hearing process with a completely new set of numbers for the first 10 years, not the whole 30 years, and that wasn't tested. We wanted that to be independently tested because it had a substantial increase in revenue without an increase in costs. It still doesn't make it an economic thing, but the answer is that was not independently tested to our satisfaction.

Mr GAFFNEY - Was full cost modelling provided with contingencies and escalation included?

Mr WALLACE - No.

Ms PENN - We didn't receive a cost plan, which would normally have allowances for capital expenditure, including breakdowns like contingencies, escalation and other things.

Mr WALLACE - This was something that we wanted all along but we didn't receive.

Mr GAFFNEY - Okay. Was a risk management plan supplied outlining downside scenarios and stake exposure?

Mr WALLACE - No. What we had to do as a panel is think about the future risk, what are the positives, what are the negatives, et cetera? We came to the conclusion that there was potentially significant risk going forward, but it was all downside, so the answer to the question

is no, we didn't get that, but we still had to make a judgment about the stadium and what our recommendation would be without that information, but forming our own view about the future risks.

Ms PENN - This was an integrated planning assessment, as opposed to, for example, a business case evaluation, which one presumes would be required or in process, which should also articulate all those things as well as including a cost-benefit analysis so the government can make a decision about whether to do it or not.

Mr GAFFNEY - Could the submission be considered incomplete if a project of this scale hasn't got those three questions answered or included?

Ms PENN - Not from a planning point of view, I don't think. Gary?

Mr PRATTLE - From a planning point of view, I think you can still make a decision without that. From a government point of view in terms of the investment, and certainly in my experience, most projects normally have that sort of documentation provided at this stage. In this exercise, we didn't.

Mr WALLACE - From a financial and economic impact perspective, we would have liked that information. It was important information, but we worked without it. Normally, from the stuff I looked at on the stadium, you would expect to receive that.

Mr TURNER - Could I just add that if this was an ordinary planning process - in other words, not under the POSS Act - that information wouldn't be necessary to make a valid application and for it to be dealt with by the planning authority, or indeed on appeal before TASCAT - wouldn't be. That was part of the argument that was put by the proponent or its lawyers in saying, 'You shouldn't consider the economic issues because that's not the normal raft of things to be considered on a planning application', but, of course, this isn't, and the definition of 'integrated assessment' specifically calls into consideration of economic issues relevant to the stadium. That's why that was always considered by us to be part and parcel of it.

Ms PENN - In terms of my process, normally my experience of other major infrastructure is that there would be a business case that does that analysis, after which government would make a decision to proceed with a project. Then it would go through often a similar integrated planning assessment in parallel with procurement or other processes to help get it to a point so that they're ready to dig as soon as they've got the permit. Normally there would be that number-crunching exercise in the risk analysis for government to assess whether it wants to do the project, whether it's worth doing or not, and then they'd go through this. It is a vastly more compressed process, in my experience.

CHAIR - I'm going to go back to Ms Forrest. We've got a few areas to cover in the remaining time.

Ms FORREST - In part 10, 'Ministerial Direction Matters', there's an item that talks about general or social, economic and cultural benefit to the region and the state. How much work did you do on that? I'm from the north-west, far away from here. When I've been out talking to people, there are mixed views about the stadium but, by and large, they're pretty

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negative because they don't see the benefit to them. Even the tourism sector doesn't really see the benefit to them, despite what some people might suggest. How did you assess that?

Mr TURNER - Can I just remind myself of the direction?

Mr PRATTLEY - Well, while you're doing that, Paul, I might -

CHAIR - It's in chapter 10 of your -

Mr PRATTLEY - Appendix H, right at the back of the document. It's the raft of economic studies internationally on these issues, which show very few produce economic benefits.

Ms FORREST - When we talk about - there's pretty clearly demonstrated economic benefit during the build of something big like this, because there's the employment, there's the opportunity for apprentices, and all things that go with that.

Mr PRATTLEY - Whether it's more than what would have been generated under a Reset Site Development Plan is questionable. But, yes.

Ms FORREST - Are any of these studies - which I haven't read all of those, but I've certainly read some of them and they're pretty consistent - did any of them look at the economic benefit beyond the first 100 kilometres?

Mr PRATTLEY - Not that I know of.

Ms FORREST - It seems to be that there's these bold statements being made by people in the media and others that it's going to have this enormous beneficial flow-on to people on to the west coast; people on King Island - they're still part of Tasmania - and Flinders Island; people along in Circular Head and down the east coast, which I can't see how that applies. Even John Perry, the Coordinator-General, when he gave evidence to the Public Accounts Committee basically said the majority of the benefit would be in Hobart.

CHAIR - Mr Wallace may be in the best place to talk about that.

Mr WALLACE - I need to remember - I've read all these international studies. Some of them did actually talk about the distribution of benefits and the geographical distribution. The conclusion, from my recollection, is that the benefits of stadiums are definitely concentrated more in the immediate area, and as you move away from it, very much less so. I mean, one of the themes, I remember in this is people outside the area, depending on whether it's a state or a province or whatever are paying for it, but really there's, there's not much benefit beyond a certain point. I could be wrong with that; that's my general recollection of some of those studies. Does that answer the question?

Ms FORREST - Yes, you I didn't hear any evidence there would be a much broader benefit to the whole state?

Mr WALLACE - No.

Ms PENN - Also, the cost benefit analysis assesses the social benefits to the state - economic benefits to the state as a whole. It doesn't allocate x per cent to the Huon Valley and x per cent to somebody else, but that's essentially covered.

Mr TURNER - We made the observation that there would be some who benefit. I think the inference to be drawn was that they would be in the Hobart region - the local businesses, if you like.

Mr WALLACE - Personally, I don't think there's any doubt, from what we looked at, that the majority of the benefits are concentrated in Hobart and the south of the state; I don't think there's any question about that. In relation to your question about these international studies, I'm pretty sure that several do actually mention this issue of beyond that immediate location, the benefits are pretty small.

Ms PENN - There are benefits that have been mooted out there, like to the construction industry. I think Mr Wallace has said already there's a construction period when obviously there would be more work, but then after that there's the cost without that, but there's also a question of who would construct it? It's a tier one contractor project and I don't think there are any tier ones based here. So, surely there would be some local employment, but it's hard to say how much, et cetera. We didn't do a detailed assessment of the nuances of that; we didn't have the evidence to do that.

Ms MASON - Could I just add to that? I think one of the points that hasn't been brought up yet about benefit is that they're talking about that the proponent suggests that there will be 334, I think it is, events in the stadium per annum, and a lot of those will be quite relatively small events - they don't expect to get 50 conferences or whatever.

There's only so many Christmas lunches or leaving parties or something you can have. And our concern is that some of those functions will be removed from other places that are already perfectly viable and that rely on whatever functions are coming through the door. Now, if you move your function from Wrest Point to the stadium, there's actually no net gain for Tasmania at all.

CHAIR - Was there any quantification of new events versus potentially transferred events? Can you speak about that a little bit?

Mr WALLACE - Yes, sure. The KPMG initial set of reports had the very detailed events calendar, and it indicated what was new activity versus just redistribution of existing activity. That was taken into account -

CHAIR - From memory, that was largely to do with the sporting activities and the concert activities, wasn't it? That didn't necessarily include corporate lunches or leavers dinners, or did it?

Mr WALLACE - No. Effectively what they assumed is virtually all that stuff is just a redistribution of existing activity. It's not new.

CHAIR - None of that's new.

Mr TURNER - That was the initial, but that changed.

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Mr WALLACE -Well, what changed is, in terms of what's new, it probably didn't change. In fact, it's very little. It's a whole heap of events which improve the bottom-line position of Stadiums Tasmania, but my look at all those is that very few, if any at all, were actually an economic uplift to Tasmania. They were just a redistribution of what existing businesses were already serving in a different location.

Mr TURNER - I think it's something like 240 minor events. That's the leaving dinners -

CHAIR - Ones that are likely to be transferred from other -

Ms FORREST - It's only going to be local people doing that, aren't they?

Mr TURNER - That's right. That impacts also on what Ms Penn was saying before in terms of the activation of the site. There are only so many major events, being AFL games. We accepted what was put up - a concert, test match, et cetera, major conference, these are all aspirational -

Mr WALLACE - Sorry, I just have to qualify something I said a minute ago. There was some new stuff in the new information and that was the change in the capacity for major concert, major event. At the end of the day, it didn't have much impact on the economic benefit, but there was some new activity stuff in the way they redefined how many people they could fit into these events.

Mr PRATTLEY - While we accepted the notion of a test match a year, we were struggling to say which city, whether Adelaide or Perth or Brisbane, is going to give up test matches so we can have one every year. It doesn't make sense.

Mr EDMUNDS - The Perth one wasn't real long.

Ms FORREST - It's like giving up Gather Round.

CHAIR - We won't have a chat around the table because it's very difficult for Hansard to track what's going on and we are on the record here. Let's just keep it to questions and answers while we're in our final stretch and we can get a little bit more in before we wrap up for the day.

I wanted to follow on a little bit on some of those economic matters. I noted on page 50 of your report, in the summary and conclusions of that first section. In paragraph (d) on that page, you make the comment:

- (d) While stadiums have been financially supported by public funding elsewhere in Australia and overseas, a difference here is the extent of the public funding required (given the absence of any private investment) relative to Tasmania's small population, economic and taxation base. The Project results in a substantial cost burden on the Tasmanian community relative to the benefits the community receives.

I thought that was an interesting point to be making that hasn't really been drawn to our attention too much in that what we're proposing to do here is not really a model of funding stadiums that you would typically see in other jurisdictions. I wondered if you'd like to

elaborate a bit more on that, particularly in light of our fairly precarious economic situation in Tasmania. We've been downgraded by Moody's. I've just heard we've been downgraded by S&P now, as well. We're obviously facing some challenges there. Can you speak about that difference of funding primarily through public funding?

Mr WALLACE - Yes, this would be a different proposition, of course, if it was private investment, which is new money coming into the state creating activity. It's publicly funded, so it's transferred effectively from taxpayers to build the stadium. I think the main point being made here is - I'm trying to think of an example - so, Adelaide Oval -

CHAIR - We get compared to that a lot.

Mr WALLACE - The point is that at Adelaide Oval, there are two AFL teams, there are 50,000 people who go every week for the whole year, and that cost - which, say, if it was built now, may be equivalent to this cost; there's a basic fixed cost, so you can add extra capacity but it doesn't change the cost much - but the budget base of the South Australian government is three times that of Tasmania but you're effectively building something with the same cost, but not getting anywhere near the same activity or revenue. That's the main point being made there.

It's a major public commitment for something - and I know all governments do it - that is effectively a commercial activity. It's a highly competitive national market to attract events and things like that. We have a small population in Tasmania, but importantly, we have a very narrow tax base. We have 30 per cent of Tasmanian households that effectively depend on Commonwealth income support, so the available money that the state can use as public money for assets like this is much lower than what other states might be able to do, notwithstanding the fact - even if we had the same population, the sociodemographic profile of Tasmania is another thing which is contriving against this.

It actually represents, for Tasmanians, a very substantial cost burden, much bigger than anywhere else in Australia, relative to the benefits received. Sure, there are benefits, but they're very small. KPMG's estimate of an increase of \$27 million in GSP; I've worked on [inaudible] before they start [inaudible] trying to do GSP for Tasmania, the error range is much greater than \$27 million. Sure, there are benefits, but they're very small compared to the cost, and the cost for Tasmania is relatively much larger than any other major capital in Australia.

CHAIR - What we are mostly pointed towards, it would seem, is not so much direct benefit to the Tasmanian government and people via that, but the generated activity that is supposedly to occur and then the business activity that's going to occur in and around Hobart, and that's the benefit we should be considering.

Mr WALLACE - The reason these benefits are very small, of course, is because it's not the borrowing of the money and the spending of the money in construction that creates the benefit over the period. It's only three things:

- it's the AFL investment in Tasmania, or what they claim that they'll invest;
- it's the interstate visitation, so people who will come to Tasmania who didn't previously come to attend an event at the Hobart stadium, and how long they will stay and how much they will spend; and

- it's the retained visitation, the assumption that 32,000 Tasmanians won't travel to an event on the mainland because we have a stadium here, so they'll spend their money here.

They're the three things. They're not unimportant, but relatively they're very small bickies when you look at the size of the economy and the size of tourism, et cetera.

Mr HISCUTT - Does that mean that that doesn't then take into account if a new hotel that's needed to service this is not built, that that economic benefit is or isn't included?

Mr WALLACE - That's what a computable general equilibrium model does. What it does is has the dynamic impacts on the economy, so it takes into account - so what's the flow-on effect of this increased visitation in terms of investment, hotel rooms, et cetera - that's already in the modelling. It's not very large, because the numbers of interstate visitors isn't very large.

Mr HISCUTT - Where is that in the cost-benefit? Do you see that as part of new visitor spend?

Mr WALLACE - That's why we looked at several different metrics. As KPMG says, the economic modelling is complementary to the cost-benefit analysis. The cost-benefit analysis says, 'Here are the costs, here are the benefits' and it's a static concept. That's very important. If the ratio had been much higher, you'd say, 'Look at these other things we haven't taken into account', but it's very, very low, of course. We looked at the economic modelling to see what sort of flow-on, what other economic activity might happen. It's not all in addition to the cost-benefit analysis but it gives you a different perspective, and that's very low as well.

Ms PENN - Like a new hotel.

Mr HISCUTT - To clarify, though, those are not in this cost-benefit analysis here?

Mr WALLACE - They're in the report; they're in the economic benefit.

Mr HISCUTT - Yes, but not included -

Mr WALLACE - The number for the value of interstate visitation is a static concept saying here's how much money is being spent and here's the economic value of it. In any economy there's a dynamic flow-on effect that's nowhere near as large as the initial effect. What you're saying is true, but it's a minor addition. All these tools have some sort of limitation, so we tried to address those limitations.

The biggest one about cost-benefit analysis is the use of discount rate. We tried a range of discount rates and you still get the same very low result. In this case, if we were able to do that and add a little bit of extra dynamic effect to the economy, you'd still get a very low benefit-cost ratio.

Ms PENN - That methodology - tell me if I'm wrong - is what's used typically throughout Australia, including by Infrastructure Australia, which [inaudible] Commonwealth expenditure to assess whether projects should proceed or not, and it's the same methodology for cost-benefit analysis.

PUBLIC

Mr WALLACE - It's a globally accepted way of doing it. The limitations are well understood. You try to do it in a way where you do various metrics - all the metrics show a fail; that's the problem in this case.

Mr HISCUTT - It's good to clarify where things are.

Ms O'CONNOR - Is it possible that the Macquarie Point stadium, if it were to be built, given the size of our population and the fact that it would all be publicly funded, would be one of the most expensive stadiums per capita possibly anywhere in the world?

Mr WALLACE - The question is what is the area you're defining. I couldn't comment on that, because if a local town in the US decided to build a stadium in their place, even though there was another stadium 100 kilometres away, how big is that place? That I can't answer, but look -

Ms O'CONNOR - Okay, sure. It just seems like it's going to be shockingly expensive -

Mr TURNER - Could I just add this? We've made the observation, and Mr Wallace can speak to it further if necessary, but the Allianz Stadium, which had a much more favourable benefit-to-cost ratio, cost the taxpayers of New South Wales about \$100 each, wasn't it, Martin?

Mr WALLACE - Yes, about that.

Mr TURNER - Around about \$100, whereas -

Ms FORREST - There's a lot of New South Welsh people, too.

Mr TURNER - This is costing an awful lot more, so you're getting very little bang for your buck.

Ms O'CONNOR - Yesterday we had the Devils and Brendon Gale in and we were told that there'd be a more than \$2 billion uplift to the state's economy as a result of the construction and operation of the stadium. I'm not exactly sure what timeframe -

Mr TURNER - I thought it was 25 years. It was reported as 25 years.

Ms FORREST - He did say 25 years.

Ms O'CONNOR - Is that an accurate or feasible statement?

Mr WALLACE - What we've used is the government estimates, KPMG's estimates and revised information from Stadiums Tasmania about their revenues and costs, so where this information comes from I don't know. However, on the basis of the information we've got, no. That is just a completely new, big number.

I think, again, there's a confusion here. A total amount of money does not measure economic uplift. Total spending doesn't measure that. The value is, as I said before, the value added - economists refer to it as producer, labour and consumer surplus - this is well-established

economic theory and practice. You've got to do it that way. You just can't say, 'Oh, all this money's being spent'.

What we've got to assess is to what extent does the construction and operation of the stadium increase Tasmania's economy above what it would have been? That's what we're measuring. Wherever those numbers come from, that cannot be the number.

CHAIR - I'm mindful of time. I'm going to put a question to you, and it relates to a comment made on page 5 of the recommendation report from the panel, towards the third-last paragraph on page 5. It said that:

If the Project does not proceed, the existing reset site development plan will remain in place and provide for a much higher level of development and activation.

I wondered if you'd like to comment on that a bit more? There's lots of ways to contemplate if this doesn't go ahead. What happens then? I presume this is to do with what happens on the Mac Point site if this doesn't pass our Chamber next week, and what do we revert to.

Mr PRATTLE - I think it goes back to page 54 with that table 2.1 which demonstrates the capacity of what could happen there. Sorry, I'm trying to find the right page.

Ms PENN - The mix and the critical mass, the floor area that's set aside within the reset SDP and indeed actually in the 2016 SDP that of a substance and then of a combination, so a mix, for example, of education, research, commercial, retail, hotel and residential. They're important because they create 24-hour activity. If you don't have any residential, whether it's hotels or homes, things might be active and vibrant during the day and then they shut down, as was the case in Melbourne before Postcode 3000 came in some 30 years ago, where there was a push to bring residential into the city to make it active and vibrant which played out - worked.

That's just one simplistic illustration, but having a mix of those different - having commercial, education, research, you're creating a market for your retail: people who need the post office or to buy lunch or to have a drink after work or whatever it is they're doing.

CHAIR - So we revert to a genuinely mixed-use precinct?

Ms PENN - That's what - and the reset SDP did other things as well, spatially and in terms of the heights, that would also enable - so they affect amenity, the desirability of the place as a place to go to, which is what we're talking about before. It's the area and the mix and then how nice it is, how much it fosters or enables a sense of this is a great place to be.

CHAIR - So we revert to that set of concepts in terms of what would guide a different iteration for the site?

Ms PENN - I think what we're saying is the reset SDP offered a proposal that was quite rigorous and that rigour was borne out in the actual - if we did an analysis of what's in front of us now - and we didn't do an analysis of it to the extent we've done of this project, of course, but just looking at those numbers in the area and the spatial arrangement, heights and so on in the context of the city, it's much more convincing.

PUBLIC

Mr PRATTLE - We certainly had no evidence that that was not a feasible plan.

Ms PENN - It's also stageable so you can do parts of it. You don't have to just put all of that money in or get all that money from the market straight away, so you can do bits and build appetite and demonstrate government's investment, and people tend to come and want to invest in it.

CHAIR - In fact, we had that in play. Thinking back, we had already had the escarpment sale that had proceeded that had to be cancelled and the contract nulled out because of the new stadium proposal when it dropped on us. So, we were in the beginnings of a staged approach there.

Ms PENN - And can I just say too, that's a good example of the detail that I've been talking about, but it's a really critical one, which is the idea of safety and amenity. By having the housing on the escarpment, it creates overlooking of the open space and public, so people who are living in there animate the site because they're moving in and out of their places and you can see movement in terms of light or whatever. But also you have a sense that there's someone watching and looking down onto the open public spaces, which tend to make you feel safer. It's a fundamental part of the CPTD, or crime prevention through design. So there is quite a lot of nuance into the reset SDP that is potentially very successful.

CHAIR - Thank you. Ms Thomas had another question for you.

Ms THOMAS - We're nearly there. Everyone's been very helpful in your contributions. Thank you. I want to round out the conversation by - in terms of where to from here for us. There's been some differing perspectives on our role here as elected representatives. Typically, we're legislators, we're considering bills before the parliament. In this instance, we're considering an Order which could be perceived as being a planning permit by some. I guess our mind has been turned to, are we a planning authority? People have suggested we're acting as a planning authority in this instance, because we're approving, or being asked to approve, a significant infrastructure project and we're considering an Order rather than a bill, and it is an Order that is not amendable by the parliament. I'm interested in whether the TPC has any thoughts on that.

Obviously, there are other elements to it because in some ways it could be perceived as sitting as a planning authority, and the government making a decision on a significant infrastructure project would typically be the remit of the government of the day as to whether to proceed or not. In summing up our role, that's my analysis of it.

One of my concerns is, we don't know what we don't know as non-planning experts when it comes to conditions, and the TPC, given it recommended that the project should not proceed, didn't draft any conditions. I understand there's no provision in LUPAA that suggests the TPC ought to do that.

Given we as decision-makers here are effectively relying on the government's expertise in drafting these conditions and taking on good faith that they've been drafted by people who know what they're talking about when it comes to planning, I'm interested in whether there is any scope for the TPC, or whether the panel turned its mind to actually giving some direction on which components are not addressed by the conditions as they were proposed in the

application, and on which relevant planning considerations the conditions, as proposed in the application, do not give effect to.

Further to that, whether perhaps that's a shortfall of LUPAA because now we're left in this position where that is the decision we have to make, based on the government's drafting of conditions.

Mr TURNER - I'm very sorry. We can't help you.

Ms THOMAS - That's not the answer I wanted.

Mr TURNER - We're not in that position, that's no part of the remit of the panel. As I said before, we're no longer any delegate of the TPC. So, what you're inviting is effectively, in one sense, legal advice as to what the impact of those provisions are and, I'm sorry, I'm not going to give that. And we haven't looked at the -

Ms PENN - We haven't seen any updates that refer to changes that we have not seen, and can't comment on, because we haven't seen them.

Ms THOMAS - I guess my question came from page 27, where you talk about:

The Panel does not consider that the proposed conditions address the full Project scope and impact of the Project, and considers that they do not mitigate significant negative effects, or give effect to all relevant planning considerations. The Panel makes no further comment about the proposed conditions, other than where they are specifically referenced in relevant sections of this IAR.

My question was: how do we know what we don't know?

Mr TURNER - I understand that, and it's quite a fair question. But because of the structure of section 26 1, as I said before, it's a binary choice. If the recommendation is to proceed with the project, then conditions are to be specified. Again, this was the subject of discussion. If the recommendation is not to proceed, then there's no conditions. But we alluded to them because they had been the subject of some discussion and we thought it might be helpful, at least for purposes of review of any description, that it was made clear that we had at the time not formed a view as to what the outcome would be.

That's why we embarked upon consideration of the conditions, and why the relevant players, being the Hobart City Council, the EPA and TasWater, had effectively come to a concluded view about conditions, and we made the observation in the report that they'd agreed.

There were some deficiencies: the obvious one concerns Aboriginal heritage because of the unknowns associated with that, particularly in relation to the northern access road, but again, we didn't have any information about that because it hasn't been designed. Where it goes and what it disturbs is simply not known. What is known is that there is significant Aboriginal heritage on and around the area, I think, of the bus plaza and up into what is the existing road.

Ms THOMAS - And the reality is now it's up to the government to make those further plans and sign off on those plans themselves?

PUBLIC

Mr TURNER - Yes.

Ms THOMAS - There's no further oversight.

Ms PENN - Also, sorry, the paragraph is saying, 'We don't think it's possible to make it acceptable through conditioning'.

Ms THOMAS - Okay, sure.

Ms PENN - Because there are fundamental aspects that cannot be mitigated, such as the scale, the bulk, proximity, the constraints of the site, and the economic analysis and impacts on the Cenotaph.

Mr TURNER - That's not to be confused with whether it can be done. I mean, from an engineering perspective, anything can be done.

Ms FORREST - If you spend enough money.

Ms THOMAS - You said acceptable.

CHAIR - We're going to have one last, I'm assured, is a quick question from Ms O'Connor.

Ms O'CONNOR - Thank you, Chair. I ask this question as the proud member for this beautiful city of Hobart, which will be most impacted by this stadium. For some members, it will be quite a difficult choice, I imagine, given that we're told no stadium, no team. For others, of us it's a much clearer choice, but everyone is thinking about it hard.

I wonder if anyone on the panel wants to make a closing statement about the choice that's before us. The risks and the opportunities that come from the decision that we will make as a Council next week.

Mr EDMUNDS - Bearing in mind your previous comments about not entering the political debate.

Ms O'CONNOR - It's good to hear from you again, Luke.

CHAIR - Okay, I'm going to stop the chatter. That's fine. You have put the question. I doubt it's a question that they're able to respond to, but we will provide the opportunity.

Mr TURNER - I don't think - and I will be disabused very quickly by other panel members - that that's something that we could possibly comment on.

Ms O'CONNOR - It's all said in your report, isn't it?

Mr WALLACE - And maybe not directly addressing the question, but look, we came into this process without any preconceived ideas. What we've done is, we've tried to be as objective as possible dealing with the facts and not the emotion. We can't deal with the emotion. I, for one, want a team.

We've looked at everything. We've done it rigorously. We've taken a consistent approach on various things and we've formed a view and made a recommendation, to the best of our ability, on the facts that we have, and virtually all those facts come from the proponent.

Ms PENN - I absolutely reiterate that point. Certainly, no expression on the political aspects. I also think Tassie should have a team; it probably should have had the first team. But, I just wanted to make a comment that it is a legacy decision. I encourage the committee - and I'm sure you're more aware than I am because you're making those decisions all the time - but it's a legacy that will, in economic terms, you will manage, government manages those decisions all the time, good or bad, whatever decision you make.

In terms of the built environment outcome and the spatial impact on the Cove and the identity and image and memory and understanding of what Hobart is as a place, and how it feels and how we experience it, my view is that there's a significant legacy impact that I urge you to consider.

CHAIR - Thank you.

Mr PRATTLEY - The only additional thing that I don't think we discussed at any length, is what's happening to construction costs. Certainly, in Sydney apartment developments around transit-oriented development sites are being approved and not being started. They cannot afford to build apartments at a price that people can afford to buy them. So, construction costs have got massive. I think during the course of our hearing there was the case of the development of the car sale site up Macquarie Street for luxury apartments, which are approved that the developer walked away from citing the 300 per cent increase in construction costs.

Ms FORREST - A 30 per cent increase, wasn't it?

Mr PRATTLEY - It was 300 per cent on one of the items.

Ms FORREST - Oh, sure.

Mr PRATTLEY - On glass, I think.

CHAIR - Point made.

Mr PRATTLEY - Yes. To me, that is a very serious issue. It's affecting every project around Australia. This one is not going to be immune from that.

Ms MASON - Yes. Following up from from Mr Prattley, you're making a 30 to 50-year decision here. I don't envy you at all because the unfortunate juxtaposition of a team as opposed to a stadium with a roof right here, is an absolutely invidious choice to have to make.

Ms FORREST - I thought your job was hard.

CHAIR - Before we close, I know Ms Thomas wants to make a quick correction.

Ms THOMAS - Thank you, Chair. I mentioned the wrong act when I was referring to a potential shortfall. I said perhaps it was a shortfall of LUPAA, but I meant the *State Policies and Projects Act*. I wanted to correct the record. Thank you.

PUBLIC

CHAIR - We've done beautifully well. It's 5.00 p.m. now. I'm going to close the hearing. Before I do that, I want to say thank you very much for your time this afternoon. It has been incredibly valuable to us. I can probably speak on behalf of people, and they won't mind me saying that. It's been potentially an awkward process with 11 members of the committee and five panel members, but I believe we've managed to get through a lot of material. Thank you very much.

I need to say a few formal things. Thank you for taking the time to provide evidence to the committee. The evidence you've provided at the hearing today is protected by parliamentary privilege. I take this opportunity to remind you that any comments you make to the media or others outside this room, even if you repeat what you have said here, will not be protected. Do you all understand that?

Witnesses - Yes.

CHAIR - Thank you. I'd also particularly like to thank all members here at the table for a process that went smoothly. Stop the broadcast.

The committee adjourned at 5.01 p.m.