Macquarie Point Multipurpose Stadium
Public Hearing Technical Note

Technical Note Number	**8**
Subject	Additional project operating model and cost information
Date	8 July 2025

1. Background

1.1 This Technical Note 8 responds to requests for further information from the Executive Commissioner of the Tasmanian Planning Commission dated:

(a) 27 June 2025, concerning the Stadium's updated operating model and comparisons to the information provided in the KPMG Financial Impact Report 9 September 2024 (**Report**). This request for information is provided as **Attachment 1**; and

(b) 2 July 2025, concerning the current capital cost estimates for the construction of the Stadium through to its operation for major individual elements, detailing assumptions on contingencies, and escalation allowances risks for each element. This request for information is provided as **Attachment 2**.

2. Oparating model

2.1 **Attachment 3** contains a break-down of the current operating model for the Stadium which has been prepared by Stadiums Tasmania. As requested by the Panel, it:

(a) details the financial information as an additional column to Table 26 P & L Comparison between options of Appendix D of the Report; and

(b) provides a description of any changed or new assumptions for the "Current Design" financial operating model as new rows in Table 22 Stadium Modelling Assumptions at Appendix A of the Report.

3. Capital cost estimate

3.1 As outlined in Technical Note 1, the Project estimate is $945 million.

3.2 In addition to trade costs, this estimate includes resourcing, margins and risk allocations including escalation, market loading, contingencies and on-costs.

3.3 The estimate, based on the current stage of detailed design work, comprises the following key elements:

Item	**$ (excl GST)**
Construction cost	640,542,967
Development Costs Including Contingencies and Consultant Fees	194,313,259
Headworks and Council Fees	5,000,000
MPDC Project Resourcing	7,500,000
Escalation	78,808,774

Early Works Package	19,322,000
Total	**$945,487,000**

3.4 The detailed design estimate includes commercial-in-confidence information including the intellectual property of the quantity surveyor, as the cost plan sets out the quantity surveyor's current estimated rates for each of the individual line items in the plan.

3.5 It also includes commercial-in-confidence information for the Project, including detailed information on estimated trade costs, builder margins and individual elements of the contingency. Sharing this information will undermine the competitive and commercial nature of the procurement process to construct the stadium and the opportunity for the State to achieve value for money outcomes.

Attachment 1 – Request for information dated 27 June 2025

From: Ramsay, John <John.Ramsay@planning.tas.gov.au>
Sent: Friday, 27 June 2025 4:13 PM
To: Morgan-Wicks, Kathrine (DPaC)
Cc: Joshua Dellios; Beach, Anne (DIER); Healey, Mathew (DPaC)
Subject: Request for Further Information

Dear Kath,

The Panel appreciates the receipt of the advice that was recently provided by Minters in Technical Note 1. They have requested that further information be provided to assist with their understanding of the issues.

The request is below.

Technical Note 1 dated 24 June 2025, in which you provided information in response to the Panel's request for updated capital costs, also included information on stadium operating costs and revenue.

As outlined in the Note, much on the information on which the updated financial operating model is based is derived from the information contained in the KPMG Financial Impact Report 9 September 2024 (the Report).

The Report provides a range of profit and loss information for a range of operating scenarios.

In order for the Panel to consider the updated financial information based on the 'Current Design' as outlined on page 4 of the Note, the Panel requests information that :

- *details the financial information as an additional column to Table 26 P & L Comparison between options, of Appendix D of the Report (including lifecycle costs, operating results, number of events and attendance.)*
- *provides a description of any changed or new assumptions for the "Current Design" financial operating model as new rows in Table 22 Stadium Modelling Assumptions at Appendix A of the Report.*

The Panel looks forward to receipt of the further advice.

As is usual practice, this request will be published on the Commission website.

Best regards,

John

John Ramsay
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Department of Justice

Tasmanian Government

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In recognition of the deep history and culture of this Island, we would like to acknowledge and pay our respects to all Tasmanian Aboriginal people; the past and present custodians of the Land.

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Public Health Hotline 1800 671 738 coronavirus.tas.gov.au

Attachment 2 – Request for information dated 2 July 2025

From: Ramsay, John <John.Ramsay@planning.tas.gov.au>
Sent: Wednesday, 2 July 2025 11:31 AM
To: Morgan-Wicks, Kathrine (DPaC)
Cc: Joshua Dellios; Beach, Anne (DIER); Healey, Mathew (DPaC)
Subject: Stadium Additional Cost Information

Dear Kath,

As a result of the hearing process and matters that have emerged, the Mac Point Stadium Assessment Panel seeks additional cost information.

The Panel has requested that you provide the Commission with the current capital cost estimates for the construction of the stadium through to its operation for major individual elements, detailing assumptions on contingencies, and escalation allowances risks for each element.

The availability of this information will assist the Panel with its assessment.

As is usual practice, this request will be published on the Commission website.

Best regards,

John

John Ramsay
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Attachment 3 – Updating operating model information

	Core Scenario	Alternative Scenario 1 (Optimistic)	Alternative Scenario 2 (VM Lines Included)	*Current Proposal average (rounded)*	Explanatory notes
Total Net Revenue	***$ 7,370,000***	***$ 9,028,000***	***$ 10,598,000***	***$ 21,380,000***	ST model represents a more robutst business, based on larger non-event day calendar and greater asset commercialisation.
Total Operating Costs	***$ 9,512,000***	***$ 9,956,000***	***$ 9,512,000***	***$ 19,110,000***	ST model includes greater staffing costs and expenses in order to drive greater revenue.
EBITDA	$ (2,142,000)	$ (928,000)	$ 1,085,000	$ 2,270,000	
OPERATING REVENUE					
Stadium Membership	*$ 5,289,000*	*$ 5,462,000*	*$ 6,773,000*	$ 4,260,000	KPMG model includes other commercial revenue lines inside Stadium Membership - for example naming rights. ST line is purely stadium membership revenue.
Venue hire fees (KMPG model)	*$ 1,246,000*	*$ 2,523,000*	*$ 1,246,000*	-	
Ticketing revenue (KMPG model)	*$ 834,000*	*$ 1,044,000*	*$ 834,000*	-	
F&B revenue (KPMG model)	-	-	*$ 1,744,000*	-	
Revenue related to hosting major events (sport, concerts, live entertainment)				$ 7,990,000	ST model includes venue hire, F&B, premium inventory sales specific to AFL/cricket content and one-off content such as concerts, live entertainment and rectangular sports.
Meetings, Conferences & Events				$ 1,710,000	ST model identifies all revenue related to the non-event day business such as room hire, F&B, audio-visual set up.
Sponsorships and Commercial Partnerships				$ 7,420,000	Includes naming rights, commercial partnerships for ticketing, catering, pourage, supply of products, signage (static and electronic).
Total Net Revenue	***$ 7,370,000***	***$ 9,028,000***	***$ 10,598,000***	***$ 21,380,000***	
OPERATING COSTS					
Salaries and Wages	*$ 2,550,000*	*$ 2,550,000*	*$ 2,550,000*	$ 9,160,000	ST assuming a much larger revenue base, requiring appropriate servicing and revenue generating costs (for example servicing the commercial sponsorships and partnerships).
Turf Maintenance	*$ 370,000*	*$ 493,000*	*$ 370,000*	$ 1,600,000	Detail of roof design between 2024 KPMG model and 2025 ST model has advanced, leading to more cost being assumed for turf replacement and maintenance.
Event Day Operations	*$ 202,000*	*$ 523,000*	*$ 202,000*	$ 1,200,000	ST including a larger allocation of event day operations costs not passed through to hirers (community events etc).
Maintenance & Utilities	*$ 4,690,000*	*$ 4,690,000*	*$ 4,690,000*	$ 2,760,000	ST have split maintenance into four line items (Turf Maintenance, IT and Maintenance and Utilities). KPMG have two line items (Turf Maintenance and Maintenance and Utilities).
IT	-	-	-	$ 1,880,000	
Admin & Other Misc. Expenses	*$ 1,700,000*	*$ 1,700,000*	*$ 1,700,000*	$ 2,510,000	Allocation of other administration and misc expenses. ST is assuming a larger business.
Total Operating Costs	***$ 9,512,000***	***$ 9,956,000***	***$ 9,512,000***	***$ 19,110,000***	
Number of Event Days	*37*	*49*	*37*	*37*	ST using the same event-day calendar as KPMG. ST believe there is potential for the actual event-calendar to be more aligned with the 'KPMG Optimised' event-day calendar.
Attendance (pax)	*392,743*	*537,217*	*392,743*	*397,717*	KPMG attendance average is based on an average of 25 year model. ST slight increase in concert attendance (30k vs 38k) and a small increase in AFL attendances. Immaterial for the model and the outputs.
Business events / functions	*104**	*156**	*104*	*300*	ST model based on qualitative and quantitative research with Business Events Tasmania and booking sources from around Australia.
Business events / functions (pax)	*26,000*	*39,000*	*26,000*	*62,000*	ST model correlates with staffing increase to service this step-change in business events and functions (acquisition and delivery).
	*no F&B revenue	*no F&B revenue			