

Macquarie Point Multipurpose Stadium

Public Hearing Technical Note

Technical Note Number	1
Subject	Updated Capital Cost Estimates
Date	24 June 2025

1. Background

- 1.1 On 12 June 2025, the Executive Commissioner wrote to the Crown in Right of Tasmanian (**State**) via email, noting that the Panel that has been appointed under the *State Policies and Projects Act 1993* (Tas) (**SPP Act**) to assess the Macquarie Point Multipurpose Stadium (**Project**) has requested that the Executive Commissioner seek information on the updated capital costs for the Project.
- 1.2 In particular, the Panel has sought updated costing information on:
- (a) the stadium building, its fit-out and associated elements (ie goods shed, car park, practice wickets, site landscaping);
 - (b) the bus plaza and acquisition of the bus fleet;
 - (c) the Northern Access Road (including associated cycle and pedestrian infrastructure); and
 - (d) other infrastructure, comprising water and sewer (including sewer diversion), stormwater, electrical and pedestrian.
- 1.3 A copy of the email from the Executive Commissioner is provided as Annexure 1.
- 1.4 In order to assist the Panel in its assessment of the Project, the State intends to respond to such requests from the Panel in the form of Technical Notes, which will be sequentially numbered so that that the Panel and other representors to the Public Hearing can readily identify and refer to the information provided as part of the Public Hearing and in the assessment of the Project.
- 1.5 This Technical Note 1 responds to the specific request made by the Executive Commissioner as contained in Annexure 1 in the following manner:
- (a) general comments relating to scope are provided in section 2;
 - (b) the stadium building, its fit-out and associated elements (ie goods shed, car park, practice wickets, site landscaping) are provided in section 3;
 - (c) the bus plaza and acquisition of the bus fleet are provided in section 4;
 - (d) the Northern Access Road (including associated cycle and pedestrian infrastructure) are provided in section 5; and
 - (e) other infrastructure, comprising water and sewer (including sewer diversion), stormwater, electrical and pedestrian are provided in section 6.

2. General comments relating to scope

- 2.1 As a starting point, the State observes that the costing information requested by the Commission covers a broad range of assets or infrastructure, including items that are beyond what the State considers to be legitimately within the boundaries of what should be considered under the SPP Act.
- 2.2 The State refers to paragraph 2.3 of its Representation 2 (representation number 114 according the Commission's numbering system) which substantiated the contention that the draft Integrated

Assessment Report included an unreasonable extension of the Project outside of the defined boundary in the *State Policies and Projects (Project of State Significance) Order 2023*, so as to include further or other projects, rendering relevant provisions of the SPP Act unworkable, given the operation of the SPP Act to 'turn off' the planning provisions that would apply to use or development.

- 2.3 Despite this, the State understands that the Panel considers these matters are relevant to the Panel's broader assessment of the Project and provides responses on that basis.
- 2.4 The current estimated cost of the stadium, which includes the fit out of the goods shed, practice wickets, plaza and associated landscaping is \$945 million.¹
- 2.5 There is other infrastructure being developed as part of the broader Macquarie Point precinct which will benefit the operation of the stadium but has a broader function. As outlined later in this Technical Note:
 - (a) \$75.6 million was identified in the 2025-26 Budget for the construction of the Northern Access Road. This development was initiated prior to the proposal to build this stadium at Macquarie Point and is designed to service the Hobart Port and broader Macquarie Point Stadium.
 - (b) A car park is being built to service the broader precinct. It is estimated that the car park will cost \$97 million (\$49 million in trade costs) which will be funded as a commercial development opportunity with no net cost to the State.
 - (c) The additional buses required for event activation will be sourced from the School Bus Fleet which will, over time, be upgraded to ensure that they are DDA compliant. The fleet upgrade is of benefit to all users of the fleet. The total cost of upgrading the fleet over time is estimated to be \$49 million, which will be amortised over an extended period (to be determined).
 - (d) \$300,000 for pedestrian related improvements to the Hunter Street carpark, which has been separately funded in the 2025-26 State Budget.
 - (e) \$16 million for the redirection of the sewerage for the broader activation of the precinct. This project was initiated prior to the proposed construction of a stadium at Macquarie Point and is separately funded.

3. Stadium building, its fit-out and associated elements (ie goods shed, car park, practice wickets, site landscaping)

- 3.1 The Project scope and budget has been continually reviewed and refined, to consider feedback from future users of the stadium and to ensure the stadium will be delivery-ready and include all fixed items necessary from commencement.
- 3.2 The estimated cost of the stadium at the commencement of the project of State significant process was \$775 million. This covered an initial project scope (**Initial Scope**) that included all the key functionality and features required through agreement with the AFL and from relevant sporting code standards. It included:
 - (a) back of house operations, and secure player and official facilities;
 - (b) cricket player facilities;

¹ Please refer to the following announcement: [Macquarie Point Multipurpose Stadium legislation consultation begins | Premier of Tasmania](#).

- (c) concert mode, including a stage pocket and removable seats;
 - (d) Evans Street retail spaces;
 - (e) function space for 1,500 seated dining; and
 - (f) primary production kitchen and tier 2 stadium venue offerings.
- 3.3 Following further review, \$75 million in additional costs have now been built into the design by including previously excluded costs which were considered to be funded through commercial partnership opportunities by the private sector at no cost to the State. They include:
- (a) communication and technical services (PA system, CCTV, audio-visual and ICT, Ribbon Boards); and
 - (b) kitchen, food and beverage fit out.
- 3.4 \$38 million in additional costs have arisen from design clarifications that led to an increase in gross floor area, and design refinement that provided more detail on internal costs and steel and structural estimations.
- 3.5 Ongoing work with users of the stadium identified additional facilities that would assist in generating improved patron experiences (and revenue) required to support the ongoing sustainable operation of the Stadium. These included additional food and beverage offerings, enhanced storage and streamline operations, providing full patron connectivity and enhanced in-seat experience, and specific features such as the Chair's lounge. These additional features have contributed approximately \$57 million in additional costs.
- 3.6 The estimated cost of the current Project scope (**Current Scope**) is \$945 million.

Operating model verification of additional items

- 3.7 Stadiums Tasmania, in conjunction with Macquarie Point Development Corporation and the broader Project team, has developed a detailed operating model for the Project.
- 3.8 The operating model has been used to compare the Current Scope to the Initial Scope.
- 3.9 Annexure 2 contains an outline of the model inputs for this comparative analysis.
- 3.10 This analysis compares the operating outcomes measured using Earnings Before Interest, Taxes, Depreciation and Amortisation (**EBITDA**) for the Current Scope and Initial Scope scenarios.
- 3.11 The EBITDA analysis is based on the Events Calendar that was included in the Project of State Significance submission, referred to as the Base Case Events Calendar (which appears in the KPMG Financial Impact Report – Appendix G 9 September 2024 to the proponent's reports).
- 3.12 There are 2 variations to the Base Case events calendar that were modelled. These are:
- (a) the attendance at 1 stadium concert is assumed to be 38,000 (as opposed to 31,500). It is noted that, under condition A4 of the conditions to the Draft Macquarie Point Planning Permit which the State is proposing to use to authorise and regulate the Project,² an increase in patron numbers above 31,500 may be permitted for specific events to a

² Available here: [Enabling Legislation for the Macquarie Point Multipurpose Stadium | Tasmanian Government](#). It is noted that, consistent with the comments at the Directions Hearing that was held on 10 June 2025, the State is proposing to utilise these conditions to authorise and regulate the Project.

maximum of 40,000 patrons, subject to prior approval of an Event Management Plan and Operational Transport Management Plan by the relevant regulator; and

- (b) an increased expected throughput of non-event-day business. Non-event-day business can be defined as conferences, trade shows, corporate and private events etc. These events will be of a size and scale that will mean they will not unduly impact traffic, noise or patron movement around the venue.
- 3.13 It is noted that while this modelling has been undertaken in alignment with the Base Case Events Calendar consistent with the Project of State Significance submission, the modelling demonstrates a conservative financial case and Stadiums Tasmania believes an optimised Events Calendar can be achieved, which would deliver a greater number of events and further bolster the operating model.
- 3.14 The EBITDA based on the first 10 years of operation of the stadium for two scenarios is set out below:

	Curent Design (\$945m)	Initial Scope Design (\$775m)
	Years 1-10 average (rounded)	Years 1-10 average (rounded)
Total Net Revenue	\$ 21,380,000	\$ 15,560,000
Total Operating Costs	\$ 19,110,000	\$ 19,310,000
EBITDA	\$ 2,270,000	\$ (3,750,000)
10-Year EBITDA cumulative results	\$ 22,700,000	\$ (37,500,000)

- 3.15 Using the Current Design as the baseline, the following outlines the differences in revenue and costs associated with the Reduced Scope Design (\$775m):
- (a) **Food & Beverage (F&B):** All F&B revenue is allocated to the proponent who invests in fitting out the F&B facilities. All revenue is assumed to be passed onto the catering provider with an expectation that the catering provider is also required to share a portion of that net profit with the hiring tenant. This aligns with the venue Ground Occupancy Agreement, under which hiring clubs will expect to receive a share of the F&B revenue at their events;
- (b) **Signage:** There will be lower revenue from digital signage as the venue does not own LED ribbon boards in this scenario. This results in an inability to commercialise this asset. Without ownership of these assets, the venue cannot charge hirers for activation or leverage them for commercial sales, limiting overall partnership opportunities; and
- (c) **Turf maintenance:** This scenario has a slight increase in operational costs due to the removal of storage for all grow lights and turf fans (which assist with turf maintenance). This change necessitates external storage and transport costs which will also incur additional expenses including insurance, labour, machinery and consumables such as fuel.

Car park

- 3.16 The stadium will also include 40 carparks under the eastern stand, which meets the requirements set out in the agreement with the AFL.
- 3.17 The development of a standalone car park on site will service the full precinct. This is a separate project and has been identified for approval in parallel to support development sequencing on site. The car park will be a commercial development opportunity, with two levels and is estimated to cost \$97 million, including contingencies, on costs and escalation. The trade cost is estimated to be approximately \$49 million.

4. Bus plaza and acquisition of the bus fleet

- 4.1 The Department of State Growth has identified 120 buses are needed to support stadium events with this to be met by about 40 General Access buses from the existing fleet and 80 *Disability Discrimination Act 1992* (Cth) (**DDA**) compliant buses proposed to be sourced from the school bus fleet. The Department is currently reviewing the bus fleet replacement and upgrade profile.
- 4.2 There will be costs over and above the expected existing asset renewal program for the school bus fleet as the standards for school buses improve over time. The costs will also vary depending on if buses are purchased outright or the State utilises bus cost model arrangements under the existing Passenger Service Contracts. If an outright purchase model is adopted, the outright purchase of 80 extra-large low-floor buses could be expected to cost around \$49 million, however due to the volume of buses able to be procured and delivered at any point in time, this cost would not occur in a single financial year. The actual cost to Government can, be amortised over extended periods through the existing contractual bus cost model. The per annum costs to Government will depend on factors such as the rate of replacement of the fleet and the contract period.
- 4.3 Please see the comments in section 5 below in relation to the bus plaza.

5. Northern Access Road, including associated cycle and pedestrian infrastructure

- 5.1 \$3 million was allocated in the FY 24-25 budget by the State for the planning and design of the Northern Access Road, which includes the bus plaza.
- 5.2 Planning and design investigations are underway and include consideration of:
 - (a) safe access for light vehicles, freight vehicles and pedestrian movement;
 - (b) access to and from the rail corridor to the Intercity Cycleway and connectivity for the proposed rapid bus network; and
 - (c) future proofing for future heavy vehicle access to the port.
- 5.3 An estimate of \$75.6 million has been provided for the Northern Access Road and bus plaza (the proposed 2025-26 budget of \$75.9 million includes improvements to the Hunter Street carpark). The cost estimate will be refined on completion of the planning and design work currently underway.
- 5.4 This includes costings for associated cycle and pedestrian infrastructure.

- 6. Other infrastructure, comprising water and sewer (including sewer diversion), stormwater, electrical, pedestrian**
- 6.1 The Project budget includes connections to services.
- 6.2 The only pedestrian improvements currently planned are to the Hunter Street carpark. The estimate for those works has not changed and remains at \$300,000 (which has been funded in the 2025-26 State Budget), as contained in the Transport Study provided as part of the Project of State Significance submission.³
- 6.3 Other works being undertaken for the redevelopment of the broader precinct are:
- (a) replacement of the sewer main that is over 100 years old running through the site. This is being replaced and diverted around the broader Macquarie Point precinct, working with TasPorts and TasWater to enable flexibility in the development of the site. The construction cost of the works is estimated to be \$16 million. This project is separately funded by the Macquarie Point Development Corporation and planning commenced prior to stadium design; and
 - (b) master-planning work is underway for the broader Macquarie Point precinct which will inform precinct-wide upgrades required for other utilities.

³ Appendix N to the Macquarie Point Stadium Summary Report September 2024 (WSP, Macquarie Point Multipurpose Stadium Transport Study, August 2024, available here: [Appendix N - Transport Study - WSP August 2024](#).

Annexure 1 – Email from Executive Commissioner

From: Ramsay, John
Sent: Thursday, 12 June 2025 3:15:18 PM
To: Morgan-Wicks, Kathrine (DPaC)
Cc: Joshua Dellios; Beach, Anne (DIER); Healey, Mathew (DPaC)
Subject: Macquarie Point Multipurpose Stadium Project Assessment - Updated Capital Cost Estimates

Dear Kath,

I write in response to the invitation in your letter to me of 27th May 2025, offering to provide information to the Commission's assessment of the above project.

The Commission's Macquarie Point Panel met on Friday afternoon last.

The Panel has requested that I seek information on the updated capital costs for the project. Even if some of the values are only 'preliminary' in nature – information that represents currently estimated costs would be appreciated.

Specifically the updated costs sought include information on –

- The stadium building, its fit out and associated elements - ie goods shed, car park, practice wickets, site landscaping;
- Bus plaza and acquisition of the bus fleet;
- Northern access road – including associated cycle and pedestrian infrastructure;
- Other infrastructure: water and sewer (including sewer diversion), stormwater, electrical, pedestrian.

The Commission looks forward to your advice to inform its ongoing assessment process.

In accordance with usual Commission practice, this communication will be published on the Commission website.

Best regards,

John

John Ramsay

Executive Commissioner | Tasmanian Planning Commission
Department of Justice
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TASMANIAN PLANNING COMMISSION

GPO Box 1691 Hobart Tas 7001
www.planning.tas.gov.au

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Department of Justice

Tasmanian Government

We act with Integrity Respect Accountability Our workplaces are Inclusive Collaborative

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.

KEEP IT COVID safe

be fully vaccinated wear masks when needed symptoms? get tested stay home if sick use Check in TAS stay up to date keep hands clean keep your distance

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Annexure 2 – Operating Model Assumptions

- 1.1 Like all forecasting models, the operating model is built upon a set of assumptions that reflect current knowledge, expectations, and available data. While these assumptions provide a necessary foundation for analysis, they also introduce limitations. As such, the outputs of the model should be interpreted with an understanding that they are indicative rather than definitive, and subject to change as assumptions evolve or new information becomes available.
- 1.2 The model assumptions are based on the estimated levels of utilisation and attendance, market supportable pricing and the as-designed seating inventory, as well as financial projections in respect of non-event day stadium activity. The Project team has consulted with leading Australian and Tasmanian non-event day conference booking entities to justify assumptions used in the model related to the number of bookings expected, delegate size, and pricing levels.
- 1.3 Input metrics were compared against other Australian stadia for verification, including items such as F&B spend per head, operational cost levels, volume of conferences and events, conferences and events day delegate rates. For this purpose, Stadiums Tasmania has and is continuing to work with similar organisations (including, Stadiums Queensland and Venues NSW) to validate assumptions and inputs.
- 1.4 The model adopts the following operating revenue and expenditure assumptions (from the perspective of the stadium operator):

Revenue Lines	Current Scope	Reduced Scope
Ticket sales & fees	Minority share in event ticketing revenue.	Minority share in event ticketing revenue.
Venue hire fees	Venue hire fee per event.	50% reduced venue hire fee as digital assets are not included in scope.
Food and beverage	Outsourced model, F&B managed by stadium.	No revenue for stadium as all fit-out required by others and proponent will require capital returned.*
Stadium Membership	1,425 members maintained by stadium.	1,425 members maintained by stadium.
Merchandise	Revenue share for stadium.	Revenue share for stadium.
Premium/hospitality and seating	Premium hospitality managed by catering provider. Significant margin for stadium.	Premium hospitality managed by catering provider and no revenue for stadium (split between catering provider and tenant).
Naming rights/sponsorships/major or partnerships	Stadium retains major sponsorships, partnerships and naming rights.	Lower sponsorship and partnership revenues due to lack of digital signage and commercial assets.
Conferences/meetings/events (non-event day)	Stadium retains majority of booking fees and margin on F&B.	Stadium retains only booking fee as catering provider takes all margin on F&B.

* Stadium staff will still be required to manage and administer the catering contract even under a scenario where no revenue flows to the venue. The provision of fan facing F&B is a delivery responsibility for the venue and poor performance risk cannot be effectively transferred from a reputation perspective.

- 1.5 Relevant to the above, the key input assumptions adopted in the model are explained in further detail as follows:
 - (c) **The seating manifest:** The exact seating manifest has been accounted for in the model for the purpose of determining the split between general admission seats / premium seats / Stadium Membership / Club Membership / access to premium F&B / corporate inventory;

- (d) **The event calendar:** The event calendar and the subsequent attendance expectations drive the attendance-based component of the revenue model. It is linked to the seating manifest and is adjustable (greater attendance results in greater F&B revenue etc). The attendance assumptions are based on the optimised attendance assumptions in the KPMG economic reports and include an increased large concert attendance capacity of 38,000 (compared with 30,000 in the KPMG reports) following consultation with key concert and live events promoters (e.g. Live Nation and TEG). The model features an event calendar, which includes 334 events across 377 days:
- (i) 34 live sport and entertainment events across 37 event days per annum;
 - (ii) 40 major conferences (450+ delegates per event) across 80 event days per annum;
 - (iii) 260 minor non-event-day bookings (e.g. corporate dinners, private functions);
 - (iv) the model includes two major tenant hirers, being the Tasmania Devils, and Cricket Tasmania (Hobart Hurricanes). Cricket content also includes one test match and one international ODI/T20;
 - (v) there are several assumed events that occur as one-off agreements, such as friendly matches featuring the Matildas and Socceroos, and potential for an NRL fixture; and
 - (vi) it is assumed that the venue will host at least one full stadium concert and at least one smaller concert per annum;
- (e) **Stadium Membership:** Stadium Membership is an item that is currently under negotiation with the proposed two major tenant hirers, namely the AFL and Cricket Australia. The model therefore adopts a sustainable stadium membership model, including 1,425 stadium members;
- (f) **Ground Occupancy Agreements:** Ground occupancy agreements are currently under negotiation with the proposed two major tenant hirers, namely the AFL and Cricket Australia. Therefore, the model adopts an estimate for the likely revenue splits;
- (g) **Sponsorship and commercial partnerships:** The Project team appointed a global commercial valuation expert for valuation of the market rates for the venues assets;
- (h) **Willingness to pay:** Focus groups conducted with AFL and Cricket fans, as well as benchmarking with venues around Australia, has assisted in verifying input details for seat pricing, F&B spend and other various stadium assets; and
- (i) **Non-event day business:** Consultation with Australian conference promoters assisted in building the quantity and price points associated with all non-event day business. This included Tasmanian market assessment to determine the size of the existing pool of events and existing demand that is not currently being met.