

Tuesday, 2 January 2024

John Ramsay
Executive Commissioner
Tasmanian Planning Commission

Dear Commissioner,

I am writing to comment on the draft guidelines to be followed in preparation of reports presented for the purpose of the integrated assessment of the Macquarie Point Multipurpose Stadium. My comments are directed towards Section 3.0 of the Guidelines, referring to 'Economic development and social, cultural and community wellbeing'.

I am an independent economist and an Adjunct Senior Researcher at the University of Tasmania. I have made a number of related submissions to the Public Accounts Committee inquiry into the Hobart Stadium.

3.1 Cost Benefit Analysis.

The CBA prepared by MI Global, which was included as part of the Government business case supporting the stadium, is deficient in two important respects:

- (i) It does not include the opportunity cost of the land committed to the stadium site, associated roadworks, or the closure existing business enterprises.
- (ii) The list of events to which underpins the CBA visitation analysis is inconsistent with the list underpinning the EIA. For example, NRL matches are included in the latter but not the former list. Neither list appears to have been developed from independent market research to support the assumptions. Subsequent commentary, and submissions to the current inquiry by the Public Accounts Committee of the Legislative Council, question the validity of the visitation statistics.

Accordingly, **the draft guidelines should be amended**

- (i) to require consistency with Commonwealth Treasury CBA guidelines, and include the opportunity cost of land, and
- (ii) strengthen the requirement for 'supporting evidence for each of the key assumptions made', especially with regard to visitation statistics. To the extent that the results of the EIA are to be an input into the CBA it is imperative that the underlying assumptions in the two approaches be internally consistent.

3.2 Economic Impact Assessment

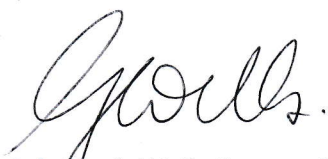
Neither the original EIA or the CBA which formed part of the government business case included an independent consultant's report, based on a mature stadium design, detailing elements (or, at a minimum, the total) of the construction cost or construction time profile for the stadium and associated infrastructure. As a result both these reports are, at best, speculative. The Draft Guidelines **should be strengthened** to require an independent, publicly available, report on the derivation of construction costs and profile for the stadium and associated infrastructure. This analysis underpins each of sections 3.1, 3.2 and 3.3.

3.3 Financial Impact Report

There appears to be some ambiguity as to whether previously announced Commonwealth government grants support the broader urban renewal project at Macquarie Point (including social housing) or are limited to construction cost of the stadium itself. The draft guidelines **should be strengthened to require clarification** of the allocation of funds in this grant.

Finally, a general comment on 3.1 and 3.2. As the Commission inquiry will call for fresh CBA and EIA reports, it is likely that differences will emerge between the two sets of reports. It may be of assistance to the Commissioners if the consultants are asked to identify any significant differences that arise, and to provide an explanation for them.

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