

TASMANIAN PLANNING COMMISSION



Our ref: DOC/25/40901
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15 April 2025

Mr Joshua Dellios
Partner
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By email: joshua.dellios@minterellison.com

Dear Mr Dellios

Macquarie Point Multipurpose Stadium Assessment Integrity of the Draft Integrated Assessment Report

In light of contentions made in your letter of the 3rd of April last, and recent public comments made by your clients, the Chair of the Panel assessing the Macquarie Point Multipurpose Stadium Project has requested that I write to you to provide the following advice from the Panel and to seek further information on behalf of the Panel.

The Panel advises as follows -

Sources of Information for the preparation of the DIAR

In preparing the draft Integrated Assessment Report (DIAR), there was no limitation on the sources from which the Panel could draw advice. Sources of information and opinion on which the Panel could draw on (including its own expertise) was not limited to State Agencies or by the *State Policies and Projects Act 1993*. As the report by Dr Gruen was one commissioned by your client, the State of Tasmania, it was entirely reasonable to have regard to its contents.

Panel Independent Economic Assessment

The Panel's undertook its own independent economic assessment for the purposes of the DIAR. A simple reading of the report indicates that the Panel drew on both the proponent's, the Macquarie Point Development Corporation (MPDC) estimates of revenue and expenditure as well as those of Dr Gruen and formed its own view of the estimated costs and benefits of the project. In some cases the Panel disagreed with the estimates of Dr Gruen and the MPDC and in some cases it agreed with Dr Gruen and the MPDC.

As Dr Gruen's Report was one commissioned by your client, and a public document, the Panel was of the opinion that it was important in the interests of full transparency and in the public interest, to produce in the DIAR, a table that compared the cost estimates of the MPDC, Dr Gruen and the Panel's independent assessment.

Panel Cost Benefit Analysis

The Panel's cost benefit analysis used the standard method, where all significant costs and benefits are assessed using the best available evidence or professional judgement.

The various costs listed in the Panel's assessment concern all those things which are necessary for the stadium to operate – to be used as intended.

The Panel undertook its analysis of the cost and benefits primarily using the base information supplied by the MPDC and the MPDC's consultants, KPMG.

As the stadium construction cost provided by the MPDC did not include all costs (the MPDC submission noted the preliminary or 'concept-design' stage nature of its estimates), the work commissioned by Dr Gruen from quantity surveying experts XMIRUS was used to obtain a more complete estimate of the required development budget.

The cost estimates for other works was as supplied by the MPDC and state agencies.

Some minor revenue estimates calculated by Lateral Economics (Dr Gruen) were used for the items where KPMG did not include the capital expenditure and the associated revenue for commercial items such as the kitchen and ribbon advertising.

The Panel would be pleased to be advised in relation to two matters.

Untested and Incorrect Assumptions in Dr Gruen's Report

First, it is asserted in your letter, that Dr Gruen's Report 'includes untested and incorrect assumptions'. The Panel would be pleased if you could identify the untested and incorrect assumptions and the reasons therefor, so it might consider the validity of that assertion, and further consider whether there is any matter of relevance to its independent assessment.

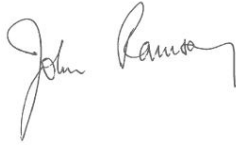
Apprehension of Bias in the Contents of the Panel DIAR

Second, it is now publicly asserted by your client, that Dr Gruen's Report is infected by an apprehension of bias, and in relying on Dr Gruen's report, the Panel likewise suffers that vice. As detailed above the Panel did not rely on Dr Gruen's report as claimed. It conducted an independent assessment. Any suggestion of bias is rejected.

Notwithstanding, applying the legally accepted understanding of the test for bias, the Panel would be pleased to be advised of the basis on which it is claimed that Dr Gruen's Report is biased. Further the Panel would be pleased to be informed how the asserted bias has influenced Dr Gruen's Report, including the identification of those parts of the report that are influenced by bias. This information will enable the Panel to further consider whether there are any matters that it should review in relation to its independent assessment.

As is the usual practice of the Commission, this communication with the proponent will be published on the Commission's website.

Yours faithfully

A handwritten signature in black ink, appearing to read "John Ramsay". The signature is fluid and cursive, with the first name "John" and last name "Ramsay" clearly distinguishable.

John Ramsay
Executive Commissioner