

1 **RE: Cuan Petheram's submission – Draft integrated assessment report - 17/6/2025**

2 **Representor number 454**

3 Thank you for allowing representors the opportunity to provide further evidence to their
4 submission on the Draft Integrated Assessment Report (DIAR), released 31 March 2025.
5 I have amended my submission and added additional evidence and citations.

6
7 **General comments**

8 I commend the panel on a very thorough evaluation. My submission is restricted to
9 commenting upon the benefit cost analysis (BCA) component of the DIAR, for which I
10 believe would benefit from some modifications. In short, I believe the BCA assumptions
11 are too optimistic. I detail my concerns below.

12 Before critiquing the BCA assumptions, however, I would like to state that I believe it is
13 vitally important the integrated assessment report (IAR) is as accurate and robust as
14 possible in the allowable time, irrespective of the outcome of this process. Even if the
15 IAR does not get used as originally intended, in an age where our (broken) system allows
16 large consultancy companies to produce highly questionable analyses on behalf of
17 their clients¹, the IAR on Macquarie Point stadium will undoubtedly be an important
18 reference and potentially gold standard analysis for others to use in the years to come.
19 Sadly, I suspect the Macquarie Point stadium saga will not be the last taxpayer money
20 grab we see from the AFL. While the majority of stadiums in other western countries are
21 now largely, if not entirely, privately funded (with public funds only being used with
22 recent stadiums builds overseas to attract events – and even this is controversial among
23 local residents), Australia lags a couple of decades behind the rest of the western world
24 in this respect² — our major sporting codes (i.e. the AFL and NRL) seem to continue to
25 expect the taxpayer to entirely fund their stadium infrastructure.

26
27

¹ “...some academic economists suggest, only partially in jest, that if one wants to know what the true economic impact of a stadium project will be, simply take whatever number the consultants project and then move the decimal point one place to the left.” (Matheson 2018)

“However, the biased estimates in these reports are a feature, not a bug, because objective assessment is not their goal. Commissioned economic impact reports are intended to justify proposed funding for a new sports facility projects until they gain formal approval. After that, these reports disappear. Ex-post re-evaluations never take place, because the ex-ante projection served its purpose of securing project approval” (Bradbury et al. 2022)

² In the USA governments stopped providing 100% stadium subsidies in the 1970's (Bradbury et al. 2022).

28

29 **Section 1.1**

30 **Increased visitation and sports and cultural**

31 I agree with the DIAR that the KPMG (2024)/proponents' assumption that 25% of
32 attendance would be interstate visitors, based on previous surveys of two interstate
33 teams playing in Tasmania (average total crowd attendance of 12,200) is fundamentally
34 flawed. However, it is my strong belief that estimating interstate visitation by assuming
35 interstate visitors will be equivalent to 15% of the total attendance of the larger
36 proposed Devils game attendance number is also erroneous (i.e. too optimistic).

37 Firstly, the Tasmanian Devils will only be a premium to Tasmanian supporters. Hence
38 while it is reasonable to assume that the total crowd attendance figures will increase to
39 the proponents assumed value of 20,825, I do not believe it is appropriate to apply the
40 15% (or any percent for that matter) to this larger Devils crowd attendance number (i.e.
41 20,285) - the Tasmanian Devils will NOT be a premium attraction to interstate visitors
42 (except in the first 2 to 3 years). The increase in attendance will be due to Tasmanians;
43 the number of interstate visitors prepared to support a single interstate team playing in
44 Tasmania will remain the same (i.e. $12,200 \times 12.5\% = 1,525$).

45 However, there is a phenomenon reported in the peer reviewed literature that some of
46 the interstate visitors in the attendance surveys are "*time switchers*" (non-local
47 attendees that change the time of their visit to coincide with an event) and "*casuals*"
48 (individuals that visit the city for other reasons and opportunistically decide to attend a
49 sporting event), neither of which should constitute net new spending (Wassmer et al.
50 2016). For example, Beyers (2006) found that eliminating *time-switches* and *casuals*
51 reduced expenditure by about 13%. The expenditure that *time switchers* and *casual*
52 visitors spend is technically not expenditure that can be attributed to the stadium
53 because it is likely this expenditure is simply a substitute for other spending they would
54 have incurred in the state anyway (e.g. Bradbury et al 2022)). Based on this assuming
55 the percentage of interstate visitors who specifically travel for Devils game to be 11.5%
56 of the originally survey games (i.e. average attendance of 12,200) this equates to 1,403
57 interstate visitors/game. This is less than half the DIAR value of $15\% \times 20,825 =$
58 $3,124/\text{game}$ and hence quite a significant discrepancy.

59 It is also well documented in the literature that sports tourism trips are usually short in
60 duration (i.e. because they are constrained by the length of the weekend), which calls
61 into question the proponents average visitor stay of 3.1 nights. Depken and Stephenson
62 (2018) found a day before and day of net effect on hotel rooms and revenues in the city
63 centre (but not suburbs) during NFL regular season and preseason but no net impact 2
64 days before or 2 days after. No hotel outcomes were identified for NBA or NHL games.
65 Hence, I feel the 2.5 used in the DIAR is still too high, particularly as no offset seems to

have been made for sports tourism trips displacing longer duration holiday tourism trips (i.e. many sports tourists to Tasmania, who may have potentially been longer stay tourists, will tend to choose to holiday in new and different locations) or the well documented “*crowding out*” effect (e.g. Bradbury et al. 2022, Chikish et al. 2019), where there is a suppression of visits by other tourists not interested in sporting events due to increased local traffic, noise, and crowds generated by games and concerts, and in the case of Macquarie Point potentially changed heritage value/ambience of the waterfront with an overbearing structure (i.e. the second highest stadium in Australia) that is completely out of keeping with the surrounding area.

“We find little evidence supporting the idea that a heavily used, sports-focused local economic development project substantially impacts local hotel demand” Chikish et al (2019).

“Hospitality industry firms typically construct hotels where demand is sufficient to meet capacity year-round; thus, hotel rooms rented by game attendees for infrequent sports events are unlikely to have a large impact on filling otherwise empty rooms. Furthermore, visitors travelling to an area to attend sporting events may crowd out visitors travelling to that area for other reasons, including business travel” (Bradbury 2022) (or in the case of Macquarie Point stadium visitors attending 7 games a year effectively substituting for year round visitors who otherwise would have travelled to Hobart’s waterfront to experience the finest example of 19th century Georgian urban space in Australia (Pooley 2025)).

Without empirical evidence stadium boosters persistently claim that there will be a higher percentage of interstate visitors for Devils games than previously surveyed because expat Tasmanians will supposedly return home to watch the Devils play. This phenomenon has not been reported as being a significant occurrence elsewhere in the peer reviewed literature. The reason this is unlikely (except perhaps the first 2-3 years when new sporting teams are a novelty; Wassmer et al. 2016) is because the cost and availability of flights and accommodation would be a premium during Devils games, and consequently most expat Tasmanians would continue to visit Tasmania to catchup with family and friends at non-premium and other strategic times (e.g. school holidays, celebrations etc), and rather be more likely to watch/support the Devils play at their new home city. Furthermore, any expat Tasmanians who did travel ‘home’ to Tasmania to watch the Devils play would most likely be forgoing a return trip to Tasmania at another time (people only have so much discretionary spending – i.e. they would be *time switchers*), so there would be no net benefit). Finally, if there was any basis to this phenomenon then it is likely that it would have also been implicitly represented in the original attendance surveys (noting Tasmanians and expat Tasmanians support a wide variety of AFL teams).

I agree with the DIAR that the proponent's assumption that 20% of non-AFL crowd attendance will be interstate visitors is too high. The proponents (through KPMG) use of 20% is conveniently based on assuming the unreferenced Cricket Australia figure of 20% "non-local attendance" meant interstate visitors. This is implausible and I believe the DIAR assumption of 5% to be far more realistic. I'm certain that what is meant by 'non-local attendance' is that surveyed people were not from Hobart, but mostly from other parts of (nearby) Tasmania such as Sorell, Kingston, New Norfolk and possibly Launceston. When I first read this in the proponents/KMPG report in 2024 (and earlier studies in 2023) I was incredibly sceptical about this conveniently optimistic assumption, as a result when I attended BBL matches at Blundstone Arena/Ninja Stadium over the Christmas period I focused on trying to identify 'opposition' interstate supporters. In the BBL games I attended I did not see or hear a single opposition supporter and I was scanning the crowd intently. Furthermore, when a Hobart Hurricanes player got out, one could literally hear a pin drop. Not what I'd expect from a supposed several thousand visiting supporters (based on the proponents 20% assumption). Based on my recent observations for cricket games I'd be very confident that the real number in attendance from interstate (and who had flown specifically to Hobart for the event as opposed to *casual* visitors) would be less than 1% (i.e. no more than 80 people), but happy for the panel to throw the proponents a bone and use 5%.

While Bellerive games are off set, I do not see any offset for Devils supporters travelling interstate to support their team? I may have missed this in my haste? Given the claimed number of Devils supporters, which is on a par to many interstate clubs (admittedly with a ridiculously low membership fee), it is plausible that a reasonable number from the south and north of Tasmania will travel interstate to support their team (e.g. without any evidence but as a guess maybe a quarter to half the number of interstate visitors who may come to Tasmania to watch the Devils play i.e. 300-750/game). While likely to be smaller in number than interstate visitors who may visit Tasmania to watch Devils games, in calculating the associated reduction in spending in Tasmania that would arise from supporters travelling interstate to support their team, one would also need to take into consideration their airfare expenditure, which is substantial (and not a benefit that Tasmania incurs when interstate visitors come to Tasmania to watch the Devils).

With respect to Test Cricket (page 27 item t) this is not a new event so there should not be any net benefit. A test cricket match is currently played in Tasmania on average once every three years, the frequency of Test cricket matches is unlikely to change as a result of a roofed stadium (in fact it will cease altogether) as the main limitation is competition from other stadiums with greater populations. As other population centres around the country grow it is probably likely that Hobart will less regularly host test matches.

It is unclear to me in the DIAR as to what was included for "increased visitation sports and culture". I am concerned that DIAR may have adopted Dr Gruen's assumption of 3

143 large concert events per year. Using Townsville as an analogue for what is most likely to
144 happen in Hobart, I find this unlikely. Townsville has a similar population to Hobart and
145 like Hobart (due to Bass Strait) Townsville suffers from the tyranny of distance. While
146 Townsville's stadium doesn't have a roof, in effect it does because Townsville
147 experiences very little rainfall during the dry season so concerts could be scheduled
148 during this period with a very high degree of certainly of favourable weather. Despite
149 these factors, Townsville's new stadium has only had a couple of concerts in the 5 years
150 since it was constructed (one of which was the opening of the stadium!). Furthermore,
151 Dr Gruen assumes that Hobart would attract 3 large concert events per year over its
152 investment lifespan, I guess this may be in part due to the certainty the stadiums roof
153 may provide concert events? However, this discounts the possibility that other
154 stadiums will be constructed with roofs elsewhere in Australia resulting in increased
155 competition for promoters who seek such certainty. In short I feel the assumption of 3
156 large concert events/year is optimistic.

157 I also note that in the proponents report (and it is not clear to me what position DIAR
158 adopted)...Table 7 KPMG report – footnote 11 indicates that the 4 AFL games/year
159 played by North Melbourne at Blundstone Area in Hobart (total crowd of 26,735 across 4
160 games in 2024), an arrangement that will not extend beyond 2025, were discounted
161 from the analysis on the basis that the single AFL and AFLW pre-season games (total
162 crowd estimate of 8,575) are (conveniently) treated as a transfer. To my mind the two
163 simply do not equate and hence the net benefits (in this case a reduced benefit) have
164 not been correctly calculated.

165 I would also like to highlight that it is well documented in the literature that the
166 multipliers/flow-on benefits from stadiums and new sporting teams as applied by
167 proponents' consultants in their economic projection studies are consistently too high
168 (and often applied to the gross expenditure rather than more correctly the net
169 expenditure). Bradbury et al (2022) note that "*Sports teams import a much higher
170 proportion of labor than most industries, which results in higher than usual revenue
171 leakage from the community*" and that as a result new stadiums and commercial sports
172 teams "*instead of generating positive spillover, multipliers from sports appear to be no
173 more than one*". This is supported by Noll and Zimbalist (1997) while Howard and
174 Crompton (1995) (In Wassmer et al. 2016) suggest an even lower range of 0.4 to 0.8,
175 depending upon the size of the geographic area (i.e. larger geographic areas are likely to
176 have less leakage). This is because sporting players, coaches and officials have very
177 high wages, and many/most of whom are imported from interstate, resulting in
178 significant revenue 'leakage' from the host city/state as they spend and invest their
179 money in their home state and elsewhere (noting much of the stadium related revenue
180 arises from locals and is a substitute for other local spending, which would have had
181 much greater flow-on effects (i.e. larger multipliers) to the Tasmanian economy) and
182 because professional sports people have short careers a high proportion of their wages

183 goes into savings rather than being spent in the local economy (Zimbalist and Noll
184 1997).

185

186 **Retained visitation**

187 I agree with DIAR that the proponents value for retained visitation is overstated, and no
188 evidence is presented by the proponent supporting their assertion. Retained visitation is
189 another claim straight from the stadium boosters playbook the world over. Again, it is
190 not a phenomenon that is reported or has been observed as having significance in the
191 independent peer reviewed literature.

192 At the end of the day, it is likely that there are a whole range of interacting compensating
193 factors as to why this term is not significant. For example, people travel interstate for a
194 combination of reasons, including shopping, visiting family and friends, an excuse to
195 escape cold weather, getting their big city fix as well as watching football games. Our
196 family can only really afford to travel interstate once or twice a year, and as much as we
197 love Tasmania we all enjoy visiting/escaping to the mainland. I would be confident that
198 many would be in the same boat and that if AFL supporters were to forgo watching AFL
199 games interstate and watch them locally, most would still end up travelling interstate
200 (the same number of times) for the other reasons they also travel.

201

202 **AFL industry**

203 Given the AFL supposed contribution is not specified in the contractual agreement I do
204 not believe it should be included in the analysis. That it is not specified in the contract
205 — I smell a rat. For example, I suspect that a considerable portion of the unspecified
206 and conveniently undocumented AFL contribution may simply be rebadged existing
207 funding and/or in-kind contributions. For all we know the AFL could have a warehouse
208 full of unwanted AFLX merchandise they want to offload and this could be their
209 opportunity to dump it on Tasmania in lieu of their “contribution”. Yes unlikely, but who
210 is to say otherwise given there is nothing specified in the contract. Can we trust the AFL?

211

212 **Non-use value**

213 I disagree with the decision to include non-use benefits but not the increasingly
214 recognised negative externalities of stadiums ((e.g. visual disamenity, transport
215 disruption and traffic congestion, displacement of police and first response resources,
216 risk of viral transmissions, crime related to alcohol consumption (Bradbury et al 2022,
217 Fourie and Gallengo 2022, Chikish et al 2019, Baade and Matheson 2016,)). I do not
218 believe the negative externalities are any less uncertain than the non-use benefits.

219 In actual fact I find it very difficult to understand how any positive non-use value can be
220 attributed to the Macquarie Point stadium and AFL. Given the enormous and inevitable
221 ongoing controversy that simply won't ever go away (i.e. issues that simply cannot be
222 mitigated because of the stadiums vast bulk and location) surely the NET non-use value
223 would have to be negative e.g. the fact that it is materially going to impact on other
224 existing users (e.g. the loss of spending from year round tourists due to the completely
225 compromised the character of a heritage precinct, the obstruction of sightlines of the
226 Cenotaph, loss of amenity for locals).

227 And of course, what isn't captured in all this is the huge cost of the enormous number of
228 hours so many of us have ended up investing in researching and writing submissions in
229 order to ensure this greatest of all Tasmanian boondoggles is subject to a transparent
230 and objective process and that our children will have a future in this state — when we
231 could have been doing so many more constructive and worthwhile things with our time!

232

233 **Health and productivity**

234 Rather than adopt the proponent's positive health and productivity benefit value, I
235 strongly argue that the health and productivity 'benefit' of a Macquarie Point stadium
236 and AFL sporting team should be zero, and that if a non-zero value had to be assigned
237 then on the weight of evidence the value should probably be negative. My case is
238 presented below.

239 Firstly, I contend that the health and productivity disbenefits of a new stadium at
240 Macquarie Point and team are no less uncertain or difficult to quantify than the health
241 and productivity benefits. Hence there is no basis for including the latter but
242 discounting the former. In fact a study by the University of Sydney (University of Sydney
243 2017) stressed the importance of robustly considering the negative externalities of
244 organised sport.

245 Let's start by looking at the evidence put forward by KPMG on behalf of the proponent in
246 support of their positive health and productivity benefit value.

247 *"For each age group, the proportion of people expected to only play AFL has been*
248 *estimated as 36.87% based on AusPlay data for Tasmania showing the average*
249 *percentage of adult participants that partake in one sport activity. It follows that, in the*
250 *absence of playing AFL, these participants would not engage in any other form of*
251 *physical activity and therefore wouldn't be physically active."* KMPG (2024)

252 This is completely lacking in any semblance of coherent logic and at best can be
253 described as hocus pocus, mumbo jumbo. As someone who is active in the Hobart
254 sporting community (though my kids, wife and myself) this assertion makes absolutely
255 no sense, it is ludicrous, and it certainly does not *"follows that,...."*

256 I only play one competitive club sport, but if I was unable to play that sport, without a
257 doubt I would play another sport. It's just that I only have so much discretionary time in
258 my week, with family and work commitments. That goes for just about everyone I know.

259 I note that junior participation in AFL increased in Tasmania by 8.5% in 2024 (AFL Play
260 2024), and that at least in the short-term³ further increases would be likely with a new
261 stadium and AFL team. However, it is the NET change in participants across the entire
262 Tasmanian sporting ecosystem that is the relevant metric when evaluating the health
263 and productivity benefit of a new stadium and an AFL team. It is well documented that
264 the major impediment to kids participating in organised sport is their socio-
265 demographic position/background (e.g. Zheng 2025, Owen et al. 2022, Wijtzes 2014,
266 Dollman and Lewis 2010), which a new stadium and sporting team will not address.
267 Hence, many of the new junior participants that take up AFL in Tasmania are likely to be
268 children who are currently playing (or will forgo playing) other non-contact sports for
269 which the risk of serious injuries, concussion and Chronic Traumatic Encephalopathy
270 (CTE) is much lower than that of AFL.

271 The concern here is that AFL is the team sport with (by far) the highest rate of
272 concussions in the world. The risk of (male) concussion in AFL is twice that of American
273 football, twice that of rugby, 6 times more likely than ice hockey and 12 times that of
274 soccer (Complete Concussions 2024). Recent articles in The Australian newspaper
275 titled “*‘It feels like a stroke’ Ex-AFL start living in concussion agony*” and “*‘Corporate
276 bastardry: betrayed players turn on AFL’*” (quote from article: *The Australian can reveal
277 that brain scans of nearly 20 former AFL players show catastrophic injuries – worse in
278 some cases than car-crash....*”) are a timely reminder about the long-term costs and
279 consequences of concussion injuries and CTE, for which the societal cost we are only
280 just beginning to appreciate.

281 This is particularly pertinent when we consider that while the Australian Institute of
282 Health and Welfare (AIHW 2022) estimated that in 2018-19 participation in physical
283 activity saved the Australian health system \$484 million/year on avoided disease costs,
284 the immediate cost of treating physical activity related injuries in hospitals was \$764
285 million⁴, what's more these costs did not account for the costs of ongoing rehabilitation
286 or lost time/productivity at work. It is likely that the cost of treating physical activity
287 incurred through contact sports, such as AFL, is disproportionately high.

³ I note in the short-term. because despite the popular narrative there is mixed evidence as to whether there are long-term increases to mass participation rates arising from 'elite sport', with a number of studies indicating that even the inverse can occur (e.g. see Grix and Carmichael 2011 and references therein)

⁴ In the interests of full disclosure, the report authors cautioned against simply subtracting \$484m from \$764m as the numbers were likely to be incomplete. Nonetheless the numbers do highlight the very large costs associated with physical activity/sport.

288 Aside from the higher injury risks and costs of treating physical activity/sporting related
289 injuries, there are numerous other disbenefits of sport. Negative externalities include
290 mental harm (children in organised competitive sport, particularly elite sports are
291 considered a particularly high-risk group), increasing risk of decreased quality of later
292 life, low mood and depression, shifting high importance to physical education at
293 expense of school time and violence (University of Sydney 2017).

294 However, perhaps most telling, given the well documented, concerning strong links
295 between the AFL, the gambling industry and News Corp (e.g. The Saturday Paper 2024,
296 Crikey 2024, The Guardian 2023, GGB News 2023), the University of Sydney (2017)
297 found that that one of the most prevalent negative externalities apparent in sport is the
298 frequent and continuous exposure of children to junk-food, alcohol and gambling
299 advertising during participation, and that a constant theme throughout the literature is a
300 strong association between sport participation and binge drinking.

301 The costs to society of alcohol, binge drinking and gambling are staggering. The cost of
302 alcohol use, including binge drinking, in Australia was estimated to be \$81.8 billion/year
303 (indexed to 2024) (Australian Government 2025). Proportionally (based on population)
304 that equates to \$1.75 billion/year in alcohol related costs arising in Tasmania. As
305 someone who has been involved in club based competitive sport all their life,
306 unfortunately, a not insignificant proportion of this cost is likely to be due to the
307 association of sport, alcohol consumption and binge drinking.

308 In terms of gambling, Australian's lose approximately \$25 billion/year on legal forms of
309 gambling, the largest per capita losses in the world (Letts 2018). However, it is the social
310 costs that are relevant to the DIAR (e.g. financial impact, emotional and psychological
311 costs, relationship and family impacts, productivity loss and work impacts; AIHW 2023).
312 Estimates for Tasmania are not readily accessible, however, Browne et al., (2017)
313 estimated the social costs of gambling in Victoria (in 2014/15) to be about \$7
314 billion/year (\$9.04 billion/year indexed to 2025). Proportionally (by population) and
315 taking into consideration the lower percentage of the population who have gambled at
316 least once in the last 12 months in Tasmania relative to Victoria (based on statistics
317 provided by AIFS (2023)) the estimated social cost of gambling in Tasmania would be in
318 the order of \$337 million/year (\$435 million/year indexed to 2025).

319 In summary when one considers the likely NET movement of participants to AFL from
320 other non-contact sports, the high costs associated with hospital treatment of physical
321 activity related injuries as well as the contribution of organised sport to the societal
322 costs of alcohol, binge drinking and gambling, the health and productivity disbenefits of
323 a new stadium and AFL team, while difficult to accurately quantify, are significant and
324 on balance likely to be at least equal to (if not exceed) the purported (and equally
325 difficult to accurately quantify) benefits.

326

327 **Commonwealth contribution to stadium**

328 This should not be included. It has been very clearly stated that the funding is for
329 housing and not the stadium. If this is included in the analysis, then there is no basis for
330 inclusion of the AFL contribution (which is not specified in any contract).

331

332 **Costs**

333 While I appreciate the DIAR has made the effort to identify some of the hidden costs
334 associated with this project, this project has all the hall marks of a project that is going
335 to incur substantial cost overruns. In this regard it is instructive to look at the major
336 reasons infrastructure projects incur cost overruns, these include:

- 337 • Unresolved design issues (e.g. will it have a roof or not!, what of the supporting
338 ancillary infrastructure, will it even all fit on the site, what of the carpark etc!).
- 339 • Poor planning and scheduling at the pre-contract stage.
- 340 • Failure to understand geological risks prior to design.
- 341 • Optimism bias (which this project has in spades).
- 342 • Immature tendering of documents.
- 343 • Rushed/truncated project timelines.
- 344 • Poor original cost estimation technique (they used the capacity factor method,
345 the crudest of all cost estimation techniques and renowned for incurring cost
346 overruns of greater than 100%).
- 347 • First time design (nowhere in the world has a ETFE tension membraned roof of
348 the type and scale of Macquarie Point has ever been built; [Pooley 2025a](#)).
- 349 • Political pressure overriding design flaws
- 350 • Poor risk management (e.g. threatening to cease the POSS process and
351 independent oversight!)

352 The Macquarie Point stadium doesn't just tick one or two of the above boxes, it ticks
353 every single one!

354 This is deeply concerning because even before a sod of earth has been turned the
355 proposed Macquarie Point stadium is already slated to be the most expensive stadium
356 per capita in the world (in terms of cost per game per resident)! By the metric of cost per
357 game per resident the proposed Macquarie Point stadium is significantly more
358 expensive than the next most expensive stadiums (see Appendix 1 of this submission)!
359 This will only get worse with the inevitable cost overruns.

360 While I appreciate the panel can only work with the information they have been
361 provided, in the absence of a Q90 cost estimate I think it would have been far more

realistic (while still probably being conservative) to have assumed the cost of the project to be 20% to 50% higher than the proponents estimated cost. I don't think there is a person in Tasmania who doesn't think this project is not going to incur further cost overruns!

Other costs which seem to be omitted from the analysis include: 1) inevitable infrastructure improvements and capital improvements during the investment period (plus what of the carpark?) 2) forgone property tax revenue (part of the broader opportunity cost question); and 3) the cost of the contracted high-performance centre?

With respect to the high-performance centre and the AFLs supposed contribution, the DIAR needs to adopt a strict, clearly defined and consistent position on what constitutes a cost/benefit (I would suggest using the contract as the basis for what should be included as a cost (updating costs as information becomes available).

Summary

In summary one could endlessly argue over the assumptions and input data that underpin the CBA of the Macquarie Point stadium and AFL team, however, in reality it is immaterial. The ACTUAL economic 'benefits' of countless new stadiums and sporting teams AFTER their construction and team's inception have been studied to death.

These hundreds if not thousands of independent peer reviewed economic studies in the academic literature are universal in their agreement, new stadiums and sporting teams do NOT generate any discernible NET new on-going economic activity or NET new permanent jobs.

Professor of Economics Emeritus Robert Baade (Baade 2003) even found that when the LA Lakers basketball team relocated FROM Inglewood, economic activity in Inglewood actually "*substantially increased*".

Economics Professors Coates and Humphries (2008) write:

"There now exists almost twenty years of research on the economic impact of professional sports franchises and facilities on the local economy. The results in this literature are strikingly consistent. No matter what cities or geographical areas are examined, no matter what estimators are used, no matter what model specifications are used, and no matter what variables are used, articles published in peer reviewed economics journals contain almost no evidence that professional sports franchises and facilities have a measurable economic impact on the economy".

In a meta-review of over 130 peer-reviewed studies reporting on the net benefits of stadiums post construction and new sporting teams, economics Professor Bradbury

397 and colleagues (Bradbury et al. 2022) concluded “...nearly all empirical studies find little
398 to no tangible impacts of sports teams and facilities on local economic activity...”

399 Professors Siegfried and Zimbalist (2000) concluded that “Few fields of empirical
400 economic research offer virtual unanimity of findings ... that there is no statistically
401 significant positive correlation between sports facility construction and economic
402 development.”

403 Professor Robert Bade, sports economist stated “The idea that sports is a catalyst for
404 economic development just doesn’t hold water” (Wolla 2017).

405 Michael Leeds a sports economist professor at Temple University said with respect to
406 new stadiums and sporting teams (Bergman 2015):

407 “If you ever had a consensus in economics, this would be it”

408 “There is no impact.”

409 In fact Professor Leeds found that if every professional sporting team in the city of
410 Chicago were to suddenly disappear (including the Cubs, White Sox, Bears, Bulls, and
411 Blackhawks – some of the biggest sporting teams in the world), the impact on the
412 Chicago economy would be a fraction of 1 percent (and some of these teams, such as
413 the major league baseball team play 81 home games a year, not just 7!) (Wolla 2017).

414 Perhaps the economic benefits are best summed up by University of Chicago
415 economist Allen Sanderson who said “if you want to inject money into the local
416 economy, it would be better to drop it from a helicopter than invest it in a new ballpark.”
417 (Demaue 2011).

418 To understand why please read: [New Stadiums Are Not An Economic Boon, Analysts](#)
419 [Concur - Tasmanian Times](#)

420

421 Of course, when presented with these uncomfortable truths, as highlighted by Professor
422 Bradbury and colleagues (Bradbury et al. 2022), stadium boosters inevitably claim
423 “...but this stadium will be different”. Sadly, the only thing unique and different about
424 Hobart’s proposed Macquarie Point stadium is that it would be most expensive stadium
425 per capita ever built, daylight being second!

426

427 Cuan Petheram

428 Concerned resident and taxpayer

429

430

References

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528

Appendix 1

Stadium name	Country	City	Cost AUD\$b (2025)	Sport	Teams	Seats	Number home games/regular season	No. Residents (million)	\$AUD/game per resident (x1000)	\$AUD/game per seat (x1000)
(Proposed) Macquarie Point Stadium	Australia	Hobart	0.95	AFL	Tasmanian Devils	23,000	7	0.19	0.71	5.90
Paul Brown Stadium	USA	Cincinnati	1.8	NFL	Cincinnati Bengals	65,515	9.5	0.311	0.60	2.87
US Bank Stadium	USA	Minneapolis	2.3	NFL	Minnesota Vikings	66,200	9.5	0.425	0.56	3.60
Allegiant Stadium	USA	Las Vegas	3.6	NFL	LA Raiders & UNLV Rebels	65,000	16.5	0.66	0.33	3.39
Ford Field	USA	Detroit	1.8	NFL	Detroit Lions	65,000	9.5	0.633	0.30	2.94
Levi's Stadium	USA	San Jose	2.7	NFL	San Francisco 49ers	68,500	9.5	0.97	0.30	4.19
Mercedes-Benz Stadium	USA	Atlanta	3.5	NFL & Football	Atlanta Falcons & Atlanta United FC	71,000	26.5	0.5	0.26	1.84
Little Caesars Arena	USA	Detroit	1.5	NFL	Detroit Pistons & Detroit Red Wings	20,000	9.5	0.633	0.25	7.78
State Farm	USA	Atlanta	1.1	NFL	Arizona Cardinals	63,400	9.5	0.51	0.23	1.87
Lucas Oil Stadium	USA	Indianapolis	1.8	NFL	Indianapolis Colts	70,000	9.5	0.879	0.22	2.73
Hard Rock Stadium	USA	Miami	1.5	NFL/football tennis	Miami Dolphins	64,767	16.5	0.48	0.19	1.44
AT&T Stadium	USA	Arlington/Dallas	2.6	NFL	Dallas Cowboys	80,000	9.5	1.5	0.18	3.44
SoFi stadium	USA	LA	10.5	NFL	LA Rams LA Chargers	70,000	19	3.82	0.14	7.91
Lincoln Financial Field	USA	Philadelphia	1.8	NFL	Philadelphia Eagles	69,879	9.5	1.55	0.12	2.74
Aviva Stadium	Ireland	Dublin	1.2	Rugby, Football	National stadium	51,700	18	0.59	0.11	1.27
NRG Stadium	USA	Houston	1.7	NFL	Houston Texas	72,220	9.5	2.31	0.08	2.49
Singapore National Stadium	Singapore	Singapore	2.4	Football	Singapore National Football team	55,000	How many10	5.9	0.04	4.40
Marlins Park	USA	Miami	1.5	Baseball	Miami Marlins	37,000	80	0.456	0.04	0.49
Krestovsky Stadium	Russia	Saint Petersburg	3.3	Football	Zenit FC	67,800	15	5.6	0.04	3.24
Estadio Nacional	Brazil	Brasilia	2.7	Football	Brasilia FC	37,593	25	2.82	0.04	2.83
Allianz Arena	Germany	Munich	1.0	Football	Bayern Munich	75,000	17	1.51	0.04	0.75
Optus Stadium	Australia	Perth	2.4	AFL & cricket	West Coast Eagles, Fremantle Dockers (Scorchers)	60,000	28	2.3	0.04	1.42
MetLife	USA	New York	3.9	NFL	New York Jets and Giants	82,500	13.5	8.26	0.03	3.47
Santiago Bernabeu	Spain	Madrid	2.8	Football	Real Madrid	78,297	24	3.42	0.03	1.48
SunTrust Park	USA	Atlanta	1.4	Baseball	Atlanta Braves	41,084	80	0.51	0.03	0.41
Nationals Park	USA	Washington	1.6	Baseball	Washington Nationals	41,546	80	0.678	0.03	0.49

Globe Life Field	USA	Arlington/Dallas	2.1	Baseball	Texas Rangers	40,300	80	1.5	0.02	0.65
Nissan Stadium	Japan	Yokohama	1.2	Football	Yokohama F. Marinos	69,143	20	3.77	0.02	0.88
Tottenham Hotspur Stadium	UK	London	2.5	Football	Tottenham Hotspurs FC	62,850	21	8.9	0.01	1.90
London Stadium	UK	London	2.3	Football	West Ham	62,500	21	8.9	0.01	1.75
Emirates Stadium	UK	London	2.0	Football	Arsenal	60,704	21	8.9	0.01	1.56
Wembley	UK	London	4.1	Football	National teams	90,000	45	8.9	0.01	1.01
UBS Arena	USA	New York	2.7	NHL	New York Islanders	17,255	41	8.26	0.01	3.87
Rogers Centre	Canada	Toronto	1.8	Baseball	Toronto Blue Jays	39,150	81	2.83	0.01	0.58
Yankee Stadium	USA	New York	3.5	Baseball & Football	New York Yankees & New York City FC	46,537	89.5	8.26	0.00	0.83
Barclays Centre	USA	Brooklyn, NY	2.2	Basketball	Brooklyn Nets	19,000	80	8.26	0.00	1.42
Citi Field	USA	Queens, NY	1.9	Baseball	New York Mets	41,800	80	8.26	0.00	0.57
Maracana	Brazil	Rio de Janeiro	1.5	Football/World Cup	Flamengo and Fluminense	78,000	50	13.9	0.00	0.39
Lusail Stadium*	Qatar	Lusail (near Doha)	1.2	World Cup	NA	88,966	NA	0.2	NA	NA
Al Bayt Stadium*	Qatar	Al Khor	1.3	World Cup	NA	68,895	NA	0.2	NA	NA

*Built for world cup after which was converted into community spaces featuring shops, cafes, schools etc.

Number of games based on regular season and excluding parallel competitions (which would only make overseas stadiums more favourable for example Real Madrid play 19 home matches as part of their regular La Liga season, however, it doesn't include home ground fixtures for Champions League or Copa del Rey matches (or practice/pre-season matches). Nor does it include other fixtures such as exhibition games by other sports (e.g. NFL) or concerts, both of which occur with regular occurrence in large cities.

Information sourced from publicly available websites.