

**RTI 22-23-14**

**The following has been released in relation to a request for information relating to the Hobart Stadium.**

Dept. Ref \_\_\_\_\_

Critical Date \_\_\_\_\_

APPROVED/NOT APPROVED	
SIGNED:	_____
DATE:	_____

### Minute to the Deputy Secretary

**SUBJECT: PWC PREPROCUREMENT PLAN FOR SOCIO-ECONOMIC BENEFIT ANALYSIS OF THE PROPOSED SOUTHERN STADIUM**

*Deputy Secretary's notation:*

#### Recommendation:

#### That you:

1. **NOTE** that PWC have provided a scope and quote for \$60,000 to produce a socio-economic benefit analysis of the proposed Southern Stadium
2. **NOTE** that the information derived from this analysis will be provided to the AFL to inform the decision on a Tasmanian licence in the AFL and AFLW, which will be voted on at a Club Presidents' meeting in August.
3. **NOTE** that this analysis will be funded from Events Tasmania's 2022-23 budget allocation. ss
4. **APPROVE** the attached pre-procurement plan

#### Current Situation:

PWC have been identified as the preferred provider of this analysis due to their previous completed research on the benefits of Hawthorn Football Games in Launceston in 2014 and 2017, and work on the economic impact of a Tasmanian AFL team in 2019, all of which will form and basis for and inform this report, which will enable it to be delivered by August 2022, a critical date in the deliberations and decision on a Tasmanian licence for the AFL and AFLW.

PWC also have a strong reputation and are well-respected for delivering robust socio-economic analysis.

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**Director – Events Tasmania**

27 June 2022

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Prepared by:		Cleared by:	
Position:	Program Coordinator, Events Tasmania	Position:	Program Coordinator, Events Tasmania
Email:		Email:	
Phone:		Phone:	

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Released under RTI

# PRE PROCUREMENT PLAN – FOR ALL PROCUREMENT PROCESSES UNDER \$250K (GST EXCLUSIVE)



## PROCUREMENT DETAILS

<b>Project Manager:</b>	..
<b>Business Unit:</b>	Cultural and Tourism Development
<b>Procurement Title:</b>	Southern Stadium Socio-economic analysis
<b>Contract Number</b>	
<b>Relevant Ministerial Portfolio</b> (This information is required for reporting purposes)	Hospitality and Events
<b>Type of Procurement:</b>	<input type="checkbox"/> Goods <input checked="" type="checkbox"/> Services <input type="checkbox"/> Consultancy <input type="checkbox"/> Minor Works <i>(Consultancies valued over \$100,000 <u>must</u> be endorsed by DPC prior to seeking quotations)</i>
<b>Information Technology:</b>	Does the procurement have an Information Technology component? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i># All Information Technology procurements <u>must</u> complete Appendix C and be signed off by an authorised IT procurement delegate prior to the commencement of a procurement process/issuing of procurement documents.</i>
<b>Contract period and estimated start and end dates:</b> <i>(Specify any options to extend)</i>	27 June – 5 August 2022
<b>Budget amount available &amp; source of funding:</b>	Events Tasmania research -cost code 1635 (2022-23 allocation \$300,000)

# PRE PROCUREMENT PLAN – FOR ALL PROCUREMENT PROCESSES UNDER \$250K (GST EXCLUSIVE)



Consider ongoing whole of life ongoing costs for purchases such as subscription based services and support (refer appendix C for IT procurements)

<b>Estimated Total Contract Value:</b>	\$60,000
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# PRE PROCUREMENT PLAN – UNDER \$250K

<p><b>Scope of Services and Deliverables:</b></p> <p>Please note that if you have a detailed project brief capturing these requirements, please attach that document instead.</p>	<p><b>Scope:</b></p> <p>The scope may include (but not be limited to):</p> <p>Events Tasmania are seeking a socio-economic impact analysis of a potential southern stadium to inform the feasibility study currently being undertaken.</p> <p>The analysis will cover:</p> <ul style="list-style-type: none"> <li>An estimate of the direct and indirect benefits to the Tasmanian economy during the construction and operation phases of the stadium</li> <li>Benefits will be outlined during facility construction, per event and over an assumed operational life of the stadium.</li> <li>Metrics will include visitation, bed nights and event attendance, as well as social benefits to Tasmania and Tasmanians.</li> </ul> <p><b>Deliverables:</b></p> <p>PWC will deliver a draft report of approximately 20 pages by the end of July 2022</p>
<p><b>Proposed procurement process:</b></p>	<p><input type="checkbox"/> Variation</p> <p><input type="checkbox"/> Request for Quotation</p> <p><input checked="" type="checkbox"/> Direct Engagement (Specialist)</p>
<p><b>In the event of a direct engagement, how was this particular contractor/consultant identified and how was value for money assessed?</b></p>	<p>PWC, and several other research firms (including Gemba, MI, Nielsen) have completed various research and analysis for Events Tasmania. PWC have been identified as the preferred provider of this particular analysis due to their previous completed research on the benefits of Hawthorn Football Games in Launceston in 2014 and 2017, and work on the economic impact of a Tasmanian AFL team in 2019, all of which will form and basis for and inform this report, which will enable it to be delivered by August 2022, a critical date in the deliberations and decision on a Tasmanian licence for the AFL and AFLW.</p> <p>PWC also have a strong reputation and are well-respected for delivering robust socio-economic analysis.</p>
<p><b>Attachments:</b></p>	<p><input type="checkbox"/> Completed Pre-Procurement Local Impact Assessment (Mandatory for all procurements &gt;\$100K, see Appendix A)</p> <p><input type="checkbox"/> Completed Evaluation Methodology</p>

# PRE PROCUREMENT PLAN – UNDER \$250K

(Mandatory for all procurements over \$100k or in the event of a competitive procurement process, see Appendix B)

**Quotation/Proposal from Contractor/Provider**

Please see link below for Procurement Delegations:

<https://iconnect.stategrowth.tas.gov.au/iconnect/Pages/delegations.aspx>

Information Technology procurements must be signed off by an authorised IT procurement delegate. See Appendix C

## APPROVED BY THE FOLLOWING:

Position	Name	Signature	Date
Project Manager:			22 June 2022
Section Manager: (if applicable)			27 June 2022
Branch Manager: (if applicable)			
General Manager: (if applicable)			
Deputy Secretary: (if applicable)			

DPC endorsement is required if the procurement is a Consultancy valued at over \$100k

Position	Name	Signature	Date
DPC Chair:			

# APPENDIX A

## PRE-PROCUREMENT LOCAL IMPACT ASSESSMENT

This pre-procurement local impact assessment demonstrates how Tasmanian suppliers will be given every opportunity to participate and be successful in this procurement.

*Guidance information (can be deleted): The purpose of a pre-procurement local impact assessment is to demonstrate how Tasmanian suppliers will be given every opportunity to participate and be successful in the procurement.*

### Procurement planning

<b>Market research</b>	<i>Provide details of market research undertaken.</i>
<b>Tasmanian capability</b>	<i>Details you can include:</i> <ul style="list-style-type: none"><li>• <i>Identify relevant industry sector(s), including those that may be affected as a component of the supply chain (if applicable).</i></li><li>• <i>Is there a market of Tasmanian suppliers?</i></li><li>• <i>Will Tasmanian suppliers be able to competitively participate in the procurement? If not, why?</i></li></ul>
<b>Design of the procurement process</b>	<i>Explain how the proposed procurement process will enhance opportunities for Tasmanian suppliers including:</i> <ul style="list-style-type: none"><li>• <i>Has the procurement been disaggregated?</i></li><li>• <i>How will the proposed procurement method impact Tasmanian suppliers?</i></li><li>• <i>Will the specification impede Tasmanian suppliers?</i></li><li>• <i>Will the evaluation criteria enable Tasmanian suppliers to participate and be competitive?</i></li></ul>
<b>Tasmanian Industry Participation Plan (TIPP)</b>	<i>Not applicable</i> <i>Due to the value of the proposed procurement, A TIPP will not be used and where required an Economic and Social Benefits statement will be issued.</i>

### Engagement with potential suppliers

<b>Consultation</b>	<i>Provide details of consultation (or intended consultation) with Tasmanian suppliers (including those in potential supply chains).</i>  <i>Provide details of industry and local business representatives that have been consulted with during the planning stage of the procurement. For example, specific consultation or general information sessions.</i>  <i>If, due to the specific circumstances of the procurement, no consultation has occurred, provide reasons why it is not considered necessary.</i>
<b>Communication</b>	<i>Provide details of any advice to be provided to the market generally in relation to the procurement, prior to release. For example, email advice, phone calls and whether the procurement opportunity will be 'advertised' on the Future Opportunities section of the Tenders website.</i>

## APPENDIX A

<b>Advertising</b>	<i>Provide details of how the procurement will be advertised. For example, The Mercury/Examiner/Australian newspapers, on the Tender website or directly via email.</i>
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# APPENDIX B

## EVALUATION METHODOLOGY

The Tender Assessment Committee must evaluate submissions in accordance with the following assessment criteria contained in the procurement documentation.

<p><b>Step 1</b> <b>Conditions for Participation</b></p>	<p>Conditions for participation are the minimum mandatory conditions that potential suppliers/contractors must meet in order for their submission to be considered. Examples of possible conditions for participation include prequalification or pre-registration requirements, required licences, professional accreditations, or registrations.</p> <p>Conditions for participation are assessed as either being 'met' or 'not met' in the first stage of evaluation of their submission. Non-conformity or non-compliance will eliminate a supplier from further consideration. Therefore, it is important to carefully consider what, if any, conditions should be included. Only submissions that comply move on to the evaluation stage. The conditions of participation applicable to this procurement activity, which will be advised to prospective tenderers in the procurement documentation and/or tender advertisement, are as follows (list):</p> <ul style="list-style-type: none"> <li>• [list from the procurement documentation]</li> <li>• <i>For example: Prequalification: Only contractors prequalified with the Department of State Growth to tender for civil projects under the National Prequalification System for Civil (Road and Bridge) Construction Contracts to the R4 and F10 financial levels or higher that meet the requirements of the RFT are eligible to Tender and have their Tenders considered and evaluated.</i></li> </ul>										
<p><b>Step 2</b> <b>Qualitative evaluation criteria</b></p>	<p>Compliant submissions will then be evaluated against a set of weighted qualitative (i.e., non-price) evaluation criteria. The following table details the evaluation criteria and the weightings for the second stage of the evaluation process.</p> <table border="1" data-bbox="464 1111 1501 1462"> <thead> <tr> <th>Qualitative criteria</th> <th>Weight per cent</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Economic and Social Benefits Statement template</td> <td>25% (minimum requirement)</td> </tr> </tbody> </table>	Qualitative criteria	Weight per cent							Economic and Social Benefits Statement template	25% (minimum requirement)
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Economic and Social Benefits Statement template	25% (minimum requirement)										
<p><b>Step 3</b> <b>Price weight or value for money</b></p>	<p><b>Please note you must select one of the two options for assessing the quantitative aspect of the procurement, please delete the option not used.</b></p> <p><b>Option 1 - Price [insert] percent.</b></p> <p>Scores allocated for price will be arrived at by the formula <math>\text{normalised price score} = \frac{\text{lowest tender price} \times 10}{\text{tender price}}</math>. This results in the lowest price receiving a score of 10 and the other scores being reduced proportionally. The weighting for price is then applied to give the weighted price score.</p> <p><b>Option 2 – Value for money [insert] percent.</b></p> <p>A Value for money assessment may be required in the instances whereby an objective based Price assessment cannot be conducted. Please seek further advice from Contract Services Branch when seeking this option.</p>										

# APPENDIX C

## INFORMATION TECHNOLOGY PROCUREMENT CONSIDERATIONS

Please complete Appendix C in collaboration with an appropriate IT representative. If you are unsure of who in the ICT and Spatial Services Unit would be best placed to assist you with your enquiries, please contact: Manager Business Systems, Strategy and Innovation in the first instance. Phone \_\_\_\_\_ or by Email \_\_\_\_\_

<p><b>Does the proposed procurement require IT specific contract clauses?</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Is your proposed procurement intended to reside on our network or be hosted and supported externally?</b></p>	<input type="checkbox"/> Externally hosted (Cloud based) <input type="checkbox"/> Departmental network
<p><b>Which of the following categories relates to your project?</b></p> <p>Please consider if your IT procurement will require ongoing whole of life support beyond the implementation stage</p>	<input type="checkbox"/> Software License <input type="checkbox"/> Software Support <input type="checkbox"/> IT Consultancy <input type="checkbox"/> Hardware Acquisition <input type="checkbox"/> An Application subscription or purchase <small>{Please consider the whole of life costs and ongoing available budget for this option}</small> <input type="checkbox"/> Supply & Integration of a System <input type="checkbox"/> Hardware Maintenance <input type="checkbox"/> Hardware Installation <input type="checkbox"/> Software as a Service <input type="checkbox"/> Software Development
<p><b>Do you intend to access the Whole of Government ICT Professional Services Panel?</b></p> <p>This will allow for the potential to directly source up to \$250k and expedite certain compliance requirements.</p> <p><a href="https://www.purchasing.tas.gov.au/contracts/common-use-contracts-of-the-tasmanian-government/common-use-contracts-index/ict-professional-services-panel-contract">https://www.purchasing.tas.gov.au/contracts/common-use-contracts-of-the-tasmanian-government/common-use-contracts-index/ict-professional-services-panel-contract</a></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

# APPENDIX C

<b>Additional IT specific information</b> <b>(Project manager to complete)</b>	{Free text}
<b>Comments from the IT delegate</b>	{Free text}

The Information Technology proposal detailed is:

- supported; or
- not supported for the reasons given below

<b>Reason:</b>	
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<b>Authority to approve up to \$50,000.00</b>			
<b>Position</b>	<b>Name</b>	<b>Signature</b>	<b>Date</b>
Manager, Business Systems, Strategy & Innovation			

<b>Authority to approve beyond 50,000.00</b>			
<b>Position</b>	<b>Name</b>	<b>Signature</b>	<b>Date</b>
Director, ICT & Spatial Services			

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**Private & Confidential**

Program Manager  
Events Tasmania  
Salamanca Building, Parliament Square  
4 Salamanca Place  
Hobart TAS 7000

22 June 2022

Dear

***Hobart stadium economic impact analysis***

We understand that Events Tasmania is seeking an analysis that estimates the potential quantitative economic benefits to the local economy from a new stadium in Hobart.

***What we propose to deliver***

We propose to estimate benefits to the Tasmanian economy from the facility in two phases:

1. **Construction** - the initial boost to jobs and growth during the construction phase of the redevelopment. These impacts are generated as soon as construction begins and are realised until the development is complete. Benefits stem from:
  - Direct spend: the capital investment in the facility (including associated materials and labour)
  - Indirect spend: Estimates of the flow on impacts for the Tasmanian economy, including Gross State Product, Household Consumption, Employment.
2. **Operations** - the ongoing economic uplift from hosting events at the stadium. These impacts accumulate steadily over time. Benefits stem from:
  - Direct spend: attendee spend both at the event and in Tasmania more broadly (including on accommodation, retail, hospitality etc).
  - Indirect spend: Estimates of the flow on impacts for the Tasmanian economy, including Gross State Product, Household Consumption, Employment.

Benefits in both phases will be provided in terms of a) jobs (i.e. employment), and b) growth (i.e. gross value add).

## ***Approach***

We will use a Computable General Equilibrium Model to estimate benefits during both construction and operations. This is consistent with the 2017 [report](#) developed by PwC for the Hawthorn Football Club (HFC) and more recent 2019 report developed for Events Tasmania.

We will provide results in terms of quantitative (dollar) benefits to the Tasmania economy over the following periods:

- During facility construction
- Per event
- Over an assumed operational life of the stadium of 25 - 30 years (subject to an assumed number of events per year - see assumptions below).

We will also include:

- Metrics around visitation, bed nights, attendance (similar to the 2017 report)
- Social benefits (with some assigned economic value if possible).

We will report our results to you in a short, high impact document (max 20 pages), similar to the 2019 report developed for Events Tasmania.

To make this process as efficient as possible, we will rely on Events Tasmania estimates for the capital cost of the facility, and survey data from the 2017 report to understand the spend by attendees at stadium events (more detail provided below in Assumptions).

## ***Assumptions***

Our approach will be based off the following key information provided to PwC by Events Tasmania:

- indicative capital and operating costs of the facility (at this stage we understand the estimate to be \$500 million)
- proposed facility capacity (including estimated event frequency and attendance per annum - we will agree a range of low - medium - high events per year with you)
- project timing and key dates (including construction and operations commencement).

To keep time and cost to a minimum, PwC will draw on the 2017 report for HFC for key input data to develop benefit estimates for when the facility during its operations, namely:

- the dollar value of benefits per attendee
- the number of interstate and international visitors as a proportion of total visitor
  - and the breakdown of visitor spend (e.g. accommodation, retail, hospitality)

We will scale the data from the 2017 report to account for:

- the cost of living difference between Hobart and Launceston
- how visitation, bed nights and attendance might differ for events in Hobart
- inflation.



If required, we would be able to subsequently update the analysis by incorporating the 2022 analysis for the economic impact of matches in Launceston. We would agree the time and cost required to do this subsequent analysis upon the completion of the 2022 Launceston analysis.

**Timing**

Subject to your acceptance of our offer, we would commence work on Monday June 20 and have a draft report for your review by the 22nd of July (five weeks after commencement), and the final report by the 5th of August after one round of consolidated feedback provided by Events Tasmania.

**Fees**

Our proposed fees for this engagement are \$60,000 excluding GST, expense and disbursements. We will agree to any expenses with you in advance and charge these to Events Tasmania at cost.

**Other Terms of Business**

This engagement would be governed by our standard terms of business, as set out in the attached appendix. You will note that these include certain restrictions on the use of our work, a disclaimer, indemnity, and limitation of our liability.

We trust that you are happy to proceed on this basis, in which case we would ask that you sign the enclosed copy of this letter to confirm matters, initial the standard terms and conditions, and return both to us. If you have any queries please contact me on

Yours sincerely

Partner  
Encl.

**Client Acceptance**

The terms of this engagement are accepted by \_\_\_\_\_ on behalf of Events Tasmania who represents that he /she is authorised to accept these terms on its behalf.

Signed \_\_\_\_\_  
Name \_\_\_\_\_  
Position \_\_\_\_\_

## Terms of business

These terms of business apply to the services you have engaged us to provide under the attached engagement letter. Our engagement letter and these terms of business form the entire agreement between us about those services. They replace any earlier agreements, representations or discussions. If anything in these terms of business is inconsistent with our engagement letter, our engagement letter takes precedence.

### Contents

- 1 Our services
- 2 Your responsibilities
- 3 Fees, expenses and costs
- 4 Confidentiality and privacy
- 5 Liability
- 6 Electronic communications and tools
- 7 Subcontractors (including other PwC firms)
- 8 Filing and destruction of documents
- 9 Performing services for others
- 10 Termination
- 11 Relationship
- 12 Corporations Act and SEC prohibitions
- 13 Force majeure
- 14 Assignment
- 15 Applicable law
- 16 Definitions
- 17 Confidentiality for certain tax services

### 1 Our services

- 1.1 **Scope** – We will perform the services described in our engagement letter with reasonable skill and care.
- 1.2 **Changes** – Either of us may request a change to the services, or anything else in this agreement. A change will not be effective unless we have both agreed to it in writing.
- 1.3 **Oral advice and draft deliverables** – You may only rely on our final written deliverables. If you wish to rely on something we have told you, please let us know so that we can prepare a written deliverable on which you may rely.
- 1.4 **Services for your benefit** – Our services are provided solely for your use for the purpose set out in our engagement letter or the relevant deliverable. Except as stated in our engagement letter or the relevant deliverable, as required by law, or with our prior written consent, you may not:
  - a) show or provide a deliverable to any third party or include or refer to a deliverable or our name or logo in a public document
  - b) make any public statement about us or the services.

We consent to you providing copies of deliverables to your legal advisers provided they have agreed:

- (i) the deliverables are not for their use or benefit
- (ii) we accept no responsibility or liability to them
- (iii) they may not do any of the things referred to in paragraph (a) or (b) above.

- 1.5 **No liability to third parties** - We accept no liability or responsibility to any third party in connection with our services. You agree to reimburse us for any liability (including reasonable legal costs) we incur in connection with any claim by a third party arising from your breach of this agreement.
- 1.6 **Additional terms for legal services** – Our services are not legal services unless expressly identified as legal services in the engagement letter. The additional terms of business for legal services apply to legal services (in addition to these terms of business).

### 2 Your responsibilities

- 2.1 **Generally** – You agree to:
  - a) provide us promptly with all information, instructions and access to third parties we reasonably require to perform the services, including letting us know if you want us to use information we hold from other engagements we have performed for you
  - b) ensure we are permitted to use any third party information or intellectual property rights you require us to use to perform the services
  - c) provide adequate and safe facilities for us when we work at your premises.
- 2.2 **Information** – You are responsible for the completeness and accuracy of information supplied to us. We may rely on this information to perform the services and will not verify it in any way, except to the extent we have expressly agreed to do so as part of the services.
- 2.3 **Interdependence** – Our performance depends on you also performing your obligations under this agreement. You agree we are not liable for any default to the extent it arises because you do not fulfil your obligations or because information supplied is, or becomes, inaccurate or incomplete, except to the extent we have expressly agreed to verify its accuracy and completeness as part of the services.

### 3 Fees, expenses and costs

- 3.1 **Payment for services** – You agree to pay us fees for our services on the basis set out in our engagement letter.
- 3.2 **Expenses** – You agree to pay any reasonable expenses we incur in connection with the services.
- 3.3 **GST** – Our fees, expenses and charges exclude GST (unless stated otherwise). If a supply to you under this agreement is a taxable supply under *A New Tax System (Goods and Services Tax) Act 1999*, you agree to pay us an amount equal to the GST we are required to pay on the taxable supply.
- 3.4 **Invoices and payment** – We will invoice you monthly, unless we have agreed something different in our engagement letter. You agree to pay the invoiced amount within 14 days of the invoice date.

- 3.5 Fee scales** – If we calculate our fees based on time spent at hourly or other rates, we may increase those rates once every six months. The increase takes effect when we notify you.
- 3.6 Compliance costs** – If we are required to provide information regarding you or the services to comply with a statutory obligation, court order or other compulsory process, you agree to pay the reasonable costs and expenses we incur in doing so. This includes time spent by professional staff and our reasonable legal costs. This clause does not apply to the extent a compulsory process relates to our alleged wrongdoing.

## 4 Confidentiality and privacy

- 4.1 Confidential information** – We each agree not to disclose each other's confidential information, except for disclosures required by law or confidential disclosures under our respective policies.
- 4.2 Referring to you and the services** – We may wish to refer to you and the nature of the services we have performed for you when marketing our services. You agree that we may do so, provided we do not disclose your confidential information.
- 4.3 Privacy** – Our approach to privacy is set out in our Privacy Policy, available at [www.pwc.com.au/privacy](http://www.pwc.com.au/privacy). You agree to comply with the Privacy Act 1988 (Cth) when providing us with information. We agree to co-operate with each other in addressing our respective privacy obligations in connection with the services.

## 5 Liability

- 5.1 Accountants scheme** – Our partners are members or affiliate members of the Institute of Chartered Accountants in Australia (ICAA). Where ICAA schemes have been approved under professional standards legislation in force in Australian states or territories, our liability in connection with the services (other than legal services) is limited in accordance with those ICAA schemes. Legislation providing for apportionment of liability also applies.

Please let us know if you would like a copy of a relevant scheme.

- 5.2 Liability cap where no scheme** – Where our liability is not limited by a scheme, you agree our liability for all claims connected directly or indirectly with the services (including claims of negligence) is limited to an amount equal to 10 times the fees payable for the services, up to an overall maximum of \$20 million.
- 5.3 Aggregate cap** – Where more than one client is identified in our engagement letter, the limits on our liability in this clause 5 must be allocated between them. We do not need to know how a limit is allocated and, if it is not, you agree not to dispute a limit on our liability on the basis that you have not agreed how it is to be allocated.
- 5.4 Consequential loss** – To the extent permitted by law, we exclude all liability for:
- loss or corruption of data
  - loss of profit, goodwill, business opportunity or anticipated savings or benefits
  - indirect or consequential loss or damage.
- 5.5 No claims against employees** – You agree not to bring any claim against any of our employees personally in connection with the services. This includes claims in

negligence but excludes claims of fraud or dishonesty. This clause is for the benefit of our employees. You agree that each of them may rely on it as if they were a party to this agreement. Each of our employees involved in providing the services relies on the protections in this clause 5.5 and we accept the benefit of it on their behalf

## 6 Electronic communications and tools

- 6.1 Electronic communications** – We each agree to take reasonable precautions to protect our own information technology systems, including implementing reasonable procedures to guard against viruses and unauthorised interception, access, use, corruption, loss or delay of electronic communications.
- 6.2 Electronic tools** – We may develop or use electronic tools (eg spreadsheets, databases, software) in providing the services. We are not obliged to share these tools with you, unless they are specified as a deliverable in this agreement. If they are not a specified deliverable, and we do share them with you, you agree that:
- they remain our property
  - we developed them solely for our use
  - you use them at your own risk
  - you may not provide them to any third party.

## 7 Subcontractors (including other PwC firms)

- 7.1 Subcontractors** – We may use subcontractors, including other PwC firms (in Australia or overseas) to perform or assist us to perform the services. Despite this, we remain solely responsible for the services.
- 7.2 No claims against other PwC firms** - No other PwC firm has any liability to you in connection with the services or this agreement and you agree not to bring and to ensure none of your affiliates brings any claim (including in negligence) against any other PwC firm or its partners or employees in connection with the services or this agreement. Any partner or employee of another PwC firm who deals with you in connection with the services does so solely on our behalf.
- 7.3 Benefit of clause 7.2** - Clause 7.2 is for the benefit of other PwC firms and their partners and employees (each a *beneficiary*). You agree each beneficiary may rely on clause 7.2 as if they were a party to this agreement. Each beneficiary that provides or assists in providing the services relies on the protections in clause 7.2 and we accept the benefit of clause 7.2 on their behalf.
- 7.4 Transfer of information** - We use contractors or suppliers located in Australia and overseas to provide us with services we use in performing services and in our internal functions. Other PwC firms may be involved in our client relationship management and other admin systems and in quality reviews. You consent to information provided to us by you or on your behalf (including personal information and your confidential information) being transferred to those contractors and suppliers and to other PwC firms and our subcontractors, so long as they are bound by confidentiality obligations.



## 8 **Filing and destruction of documents**

If you leave documents or material with us, we may destroy them after seven years (except to the extent we are required to retain them by law).

## 9 **Performing services for others**

Provided we do not disclose your confidential information, you agree that we may perform services for your competitors or other parties whose interests may conflict with yours.

## 10 **Termination**

- 10.1 **By notice** – Either of us may terminate this agreement by giving the other at least 14 days notice in writing (unless it would be unlawful to do so). This agreement terminates on expiry of that notice.
- 10.2 **Changes affecting independence** – Changes to the law or other circumstances beyond our reasonable control may mean that providing the services to you results in us ceasing to be independent of an audit client. If that happens, we may terminate this agreement immediately by giving you notice in writing.
- 10.3 **Fees payable on termination** – You agree to pay us for all services we perform before termination, within 14 days after receipt of our invoice. Where we agree a fixed fee for services, and the services are not completed before termination, you agree to pay us for the services that we have performed on the basis of the time spent at our then current hourly rates, up to the amount of the fixed fee.
- 10.4 **Clauses applying after termination** – The following clauses continue to apply after termination of this agreement: 1.3, 1.4, 1.5, 2.3, 3, 4, 5, 6.2, 7, 8, 9, 10.3, 10.4, 11, 12, 13, 14, 15, 16 and 17.

## 11 **Relationship**

We are your independent contractor. You agree that we are not in a partnership, joint venture, fiduciary, employment, agency or other relationship with you. Neither of us has power to bind the other.

## 12 **Corporations Act and SEC prohibitions**

Nothing in this agreement applies to the extent that it is prohibited by the Corporations Act 2001 (Cth) or the rules of the US Securities and Exchange Commission.

## 13 **Force majeure**

Neither of us is liable to the other for delay or failure to fulfil obligations (other than an obligation to pay) to the extent that the delay or failure arises due to an unforeseen event beyond their reasonable control which is not otherwise dealt with in this agreement. Each of us agrees to use reasonable endeavours to remove or overcome the effects of the relevant event without delay.

## 14 **Assignment**

Neither of us may assign or deal with our rights under this agreement without the other's prior written consent.

## 15 **Applicable law**

Unless our engagement letter states otherwise, the law applying to this agreement is the law of New South Wales. Both of us submit to the exclusive jurisdiction of the courts of that state and waive any right either of us may have to claim that those courts do not have jurisdiction or are an inconvenient forum.

## 16 **Definitions**

In this agreement the following words and expressions have the meanings given to them below

- 16.1 **affiliate** – an entity which, directly or indirectly, controls or is controlled by or under common control with you
- 16.2 **PwC firm** – an entity or partnership which carries on business under a name which includes all or part of the name 'PricewaterhouseCoopers', or is otherwise within or a correspondent firm of the global network of PricewaterhouseCoopers firms, each of which is a separate and independent legal entity
- 16.3 **this agreement** – these terms of business and the engagement letter to which they are attached
- 16.4 **you** – client identified in our engagement letter
- 16.5 **we** – the Australian firm of PricewaterhouseCoopers, a partnership formed in Australia.

## 17 **Confidentiality for certain tax services**

- 17.1 **When clauses 17.2 and 17.3 apply** – Clauses 17.2 and 17.3 apply only if the services are tax services regarding a transaction and either:
  - a) you are an SEC registrant (or an affiliate of and SEC registrant) which is audited by a PwC firm or
  - b) our tax services could give rise to a tax benefit within the meaning of US Income Tax Regulation 1.6011-4 or a similar provision enacted by a US state.
- 17.2 **Permitted disclosure** – You may disclose to any person any information and materials we give you regarding the tax treatment and structure of the transaction (PwC materials).
- 17.3 **Consequences of disclosure** – If you make disclosure under clause 17.2, you agree to:
  - a) tell us the name and address of the person to whom you disclose PwC materials and the PwC materials you disclose
  - b) tell the person to whom you make the disclosure that they may not rely on any PwC materials and that we have no liability or responsibility to them in connection with the PwC materials
  - a) use your best efforts to obtain the person's agreement to release and indemnify all PwC firms from and against all liabilities (including legal costs) arising from or in connection with the disclosure of the PwC materials or the person's reliance on them.



Released under RTI



## CONTRACT FOR SUPPLY OF GOODS AND/OR SERVICES

Contract adopts 'Goods and Services SCC: Version 2021-01'

### **Hobart Stadium Economic Impact Analysis**

**Contract reference No.:** 3519

**Principal:** **The Crown in Right of Tasmania**  
(acting through The Department of State Growth]

**Supplier:** PricewaterhouseCoopers Consulting (Australia) Pty Ltd

Released under RTI

# CONTRACT FOR SUPPLY OF GOODS AND/OR SERVICES

Contract adopts 'Goods and Services SCC: Version 2021-01'

## Hobart Stadium Economic Impact Analysis

**Date:** 14 July 2022

### Parties:

Name **The Crown in Right of Tasmania**  
(acting through the Department of State Growth)

Short form name **Principal**

Notice details C/- Department of State Growth  
4 Salamanca Place, Parliament Square, Hobart 7000  
Email:  
Telephone: [##]  
Attention:

Name **PricewaterhouseCoopers Consulting (Australia) Pty Ltd**

ABN ABN 20 607 773 295

Short form name **Supplier**

Notice details One International Towers, Watermans Quay, Barangaroo NSW 2000  
Email:  
Telephone:  
Attention:

**Background:** The Principal and the Supplier have agreed to be bound by the Contract.  
Pursuant to the Contract, the Supplier agrees to deliver or supply the Supplies (described in the Contract Information Table) to the Principal.

The parties agree as follows:

---

## 1 Contract

### 1.1 Principal and Supplier agree to be bound by Contract

The Principal and the Supplier agree to be bound by the Contract.

### 1.2 Contract comprises

The Contract comprises:

- (a) this document;
- (b) the Contract Information Table included in Attachment 1 to this document;
- (c) the Tasmanian Government's 'Goods and Services SCC: Version 2021-01' (the **Conditions of Contract**), which are taken to be incorporated by reference in this document; and
- (d) if the Contract Information Table states that any other documents form part of the Contract, then those other documents.

**1.3 Supplier's acknowledgment**

The Supplier acknowledges that it received and read a copy of the Conditions of Contract before signing this document.

**1.4 Defined terms**

For the avoidance of doubt, unless the context otherwise requires, terms defined in the Conditions of Contract and the Contract Information Table (as applicable) have the same meanings when used in this document.

**Executed as an agreement**

Released under RTI

# Signing

## Signing by the Principal

Executed as an agreement on behalf of **The Crown in Right of Tasmania** by the person named below in the presence of the witness named below:

Signature: →	<div style="border: 1px solid black; width: 300px; height: 80px;"></div>	
	Being a person who has authority to sign this Agreement on behalf of the Principal	
*Print name and position:	<div style="border: 1px solid black; padding: 2px;">Director, Events Tasmania</div>	Witness' signature: →
		<div style="border: 1px solid black; width: 300px; height: 80px;"></div>
		*Witness print name and position:
		<div style="border: 1px solid black; padding: 2px;">Program Manager, Events Tasmania</div>
*Use BLOCK LETTERS		*Witness print address:
		<div style="border: 1px solid black; padding: 2px;">4 Salamanca Place Hobart TAS 7000</div>

## Signing by the Supplier

Executed as an agreement for and on behalf of PricewaterhouseCoopers Consulting (Australia) Pty Ltd (ABN 20 607 773 295) by its authorised representative (in the presence of the witness named below):

Authorised Representative's signature: →	<div style="border: 1px solid black; width: 300px; height: 60px;"></div>	
		Witness' signature: →
		<div style="border: 1px solid black; width: 300px; height: 50px;"></div>
		*Witness print name:
		<div style="border: 1px solid black; padding: 2px;">Senior Manager (PwC)</div>
*Use BLOCK LETTERS		*Witness print address:
		<div style="border: 1px solid black; padding: 2px;">out of scope</div>

# Attachment 1: Contract Information Table

## IMPORTANT NOTES:

- A.** The Contract Information Table:
- Sets out the key variable contract details relevant to the application and operation of the Conditions of Contract to the procurement. (**NOTE:** The Conditions of Contract are incorporated by reference into the Contract).
  - May modify the Conditions of Contract as they apply to the delivery of the Supplies and in other respects.
  - May include additional terms and conditions of contract which will apply to the Contract.
- B.** The Contract Information Table must be read in conjunction with the Conditions of Contract.
- C.** A reference in the Contract Information Table to a row also includes a reference to the heading for the row.

### **Goods and/or Services to be supplied:**

The goods and/or services (the **Supplies**) to be supplied by the Supplier to the Principal in accordance with the Contract are as follows:

**Goods:** Not applicable. The Supplies do not include Goods.

### **Services:**

1. Provide a draft and final report to support discussions between the Principal and the AFL estimating the economic and socio-economic impact of the construction and operations of a new stadium in Hobart, Tasmania.
2. Construction Phase
  - (a) estimate the boost to jobs and growth in the construction phase of the stadium such as:
    - i. direct spend from the capital investment of the facility of materials and labour; and
    - ii. indirect spend from the construction of the facility of Gross State Product, household consumption and employment.
3. Operations Phase
  - (a) estimate the ongoing economic impact of events at the stadium such as:
    - i. direct spend of attendance at the event and in Tasmania including and not limited to accommodation, retail, hospitality and tourism activities (Sectors); and
    - ii. indirect spend on the Tasmanian economy of Gross State Product, household consumption, employment and socio-economic benefits.
4. Methodology
  - (a) in developing the analysis, the Supplier will use the 'Computable General Equilibrium Model' and provide quantitative dollar benefits from the construction and operations of the stadium over a period of twenty-five to thirty years;
  - (b) as part of the analysis, the Supplier will use data provided by the Principal and survey data collected from the PricewaterhouseCoopers report '*Estimation of the Economic*

**Goods and/or Services to be supplied:**

*Contribution of the Hawthorn Football Club 2017 Games in Launceston to the Tasmanian Economy*’;

- (c) estimate the benefits to Tasmania based on the dollar value per attendee;
- (d) provide an estimate of the capital and operating costs of the stadium;
- (e) provide an estimate of the stadium capacity of event frequency and attendance per event, including analysis of low, medium and high events per year;
- (f) the number of interstate and international visitors with a breakdown of visitor spend per Sector;
- (g) the data will be qualified on the cost of living between Hobart and Launceston, inflation and the difference of costs in attending events in Hobart;

5. Reports

- (a) a draft to the Principal of no more than twenty pages by 22 July 2022;
- (b) the Principal will provide feedback on the draft report as soon as practical;
- (c) a final report to the Principal by 5 August 2022; and
- (d) the report will not be published unless agreed by the Supplier and such agreement is not unreasonably withheld.

**Specification applicable to Supplies:**

Not applicable.

**Delivery of Supplies that are Goods:**

Not applicable. The Supplies do not include Goods.

**Acceptance Period for Supplies that are Goods:**

Not applicable. The Supplies do not include Goods.

**Warranty Period applicable to Supplies that are Goods:**

Not applicable. The Supplies do not include Goods.

**Delivery of Supplies that are Services:**

The service period (the **Service Period**) applicable to the supply of the Services is from the date of execution by both parties to 5 August 2022.

**Contract Sum:**

The contract sum (the **Contract Sum**) for the delivery of the Supplies is \$60,000.00 (exc GST).

The Contract Sum is payable by the Principal to the Supplier as follows:

Subject to clauses 4.3(b), (c) and (d) of the General Conditions of Contract, the Contract Sum is payable by instalments as follows:

**Instalment 1:**



**Contract Sum:**

Upon completion of the draft report to the satisfaction of the Principal, an instalment equal to 50% of the Contract Sum.

**Instalment 2:**

Upon completion of the Services to the satisfaction of the Principal, an instalment equal to 50% of the Contract Sum.

**Out-of-pocket expenses and disbursements:**

Not applicable.

**Insurance:****Professional indemnity insurance:**

Policy type: Professional indemnity insurance.

Required cover: The policy must indemnify the Supplier for any breach of professional duty, whether owed in contract, tort or otherwise, in connection with the performance of the Contract by the Supplier. The policy must include an automatic reinstatement clause and is limited to the annual aggregate.

Period of insurance: The period commencing on the date of the Contract until the date six years after the date the Supplier has performed all of its obligations under the Contract.

Amount of cover: Not less than \$10,000,000 in the annual aggregate.

**Special terms and conditions:**

The special terms and conditions (each a **Contract Special Condition**) set out below apply to the Contract.

If there is any inconsistency between a Contract Special Condition and another provision of the Contract, the special condition overrides the other provision to the extent of the inconsistency.

A Contract Special Condition is taken not to be inconsistent with another provision of the Contract if the Contract Special Condition and the other provision of the Contract are both capable of being complied with.

**Contract Special Conditions:**

For the purpose of Contract No 3519, the following clauses have been amended from the *Goods and Services SCC – Version 2021-01* as follows:

1. The definition of 'Existing Material' is deleted and replaced with:  
"Existing Material means any material, document or data created by the Supplier before the date of the Contract and which is provide to the Principal by the Supplier including any improvements, modifications or enhancements to such material in performing the Services."
2. The Supplier will provide certificates of currency as evidence it maintains insurance in accordance with the requirements of clause 7 of the Conditions of Contract.
3. The first two paragraphs of clause 15.2 of the Conditions of Contract are deleted and replaced with:  
'The Supplier grants to the Principal an irrevocable, royalty free, world-wide, non-transferable and non-exclusive licence, to use and copy any Existing Material to the extent

**Special terms and conditions:**

that Existing Material is incorporated into Contract Material for the purpose for which Contract Material is provided to the Principal in accordance with this Contract.’

4. The Supplier works with a range of third parties in its day-to-day business operations (such as providers of operational software like email and collaboration software, infrastructure providers, outsourced administration), and third parties (such as subcontractors and software providers) it relies on when providing services. The Supplier needs to share or transfer materials and data with all of these third parties as part of its business operations and to provide the services to the Principal.

General information about our outsourced services and cloud computing providers that the Supplier uses is available to its clients at this site: <https://www.pwc.com.au/about-us/outsourced-services-cloud-computing.html>.

Notwithstanding any other provision of the Contract, the Principal consents to the Supplier’s use of outsourced services and cloud computing.

5. The Supplier is entitled to retain its working papers (in any medium), which may incorporate, refer to or include confidential information or personal information, for risk management and quality assurance purposes, and copies of information it receives under this Contract (including confidential information and personal information) which is stored electronically to the extent it is impracticable to erase or destroy. If any confidential information or personal information is retained by the Supplier, it will be subject to the confidentiality obligations in this Contract.
6. The Principal will:
- (a) promptly make available to the Supplier all relevant instructions, information, data, documents, specifications, and other materials specified in the Contract, and all access to third parties, reasonably required for the Supplier to perform and deliver the Services;
  - (b) ensure the Supplier is permitted to use third party information or intellectual property rights the Principal requires the Supplier use for the Services;
8. The Principal is responsible for the completeness and accuracy of information supplied to the Supplier. The Supplier may rely on this information to perform the Services and will not verify it in any way, except to the extent the Supplier has expressly agreed to do so as part of the Services.
9. The Services provided by the Supplier are provided solely for the benefit and use of the Principal. Except as stated in the Agreement, as required by law, or with the Supplier’s prior written consent, the Principal may not:
- (a) show or provide a deliverable to any third party or include or refer to a deliverable or the Supplier’s name or logo in a public document; or
  - (b) make any public statement about the Supplier or the Services,
- and the Principal may only rely on the Supplier’s final written deliverables.
10. The Supplier accepts no liability or responsibility to any third party in connection with the Services. The Principal agrees to reimburse the Supplier for any liability (including reasonable legal costs) the Supplier incurs in connection with any claim by a third party arising from the Principal’s breach of this Agreement.

# Hobart Stadium

Estimating the economic impacts of  
a new arts, entertainment and  
sports precinct in Hobart

September 2022



Released under



# Disclaimer

This report is not intended to be used by anyone other than the Department of State Growth, Tasmania (the Department of State Growth).

We prepared this report solely for the Department of State Growth's use and benefit in accordance with and for the purpose set out in our engagement letter with the Department of State Growth dated 14 July 2022. In doing so, we acted exclusively for the Department of State Growth and considered no-one else's interests.

We accept no responsibility, duty or liability:

- to anyone other than the Department of State Growth in connection with this report
- to the Department of State Growth for the consequences of using or relying on it for a purpose other than that referred to above.

We make no representation concerning the appropriateness of this report for anyone other than the Department of State Growth. If anyone other than the Department of State Growth chooses to use or rely on it they do so at their own risk.

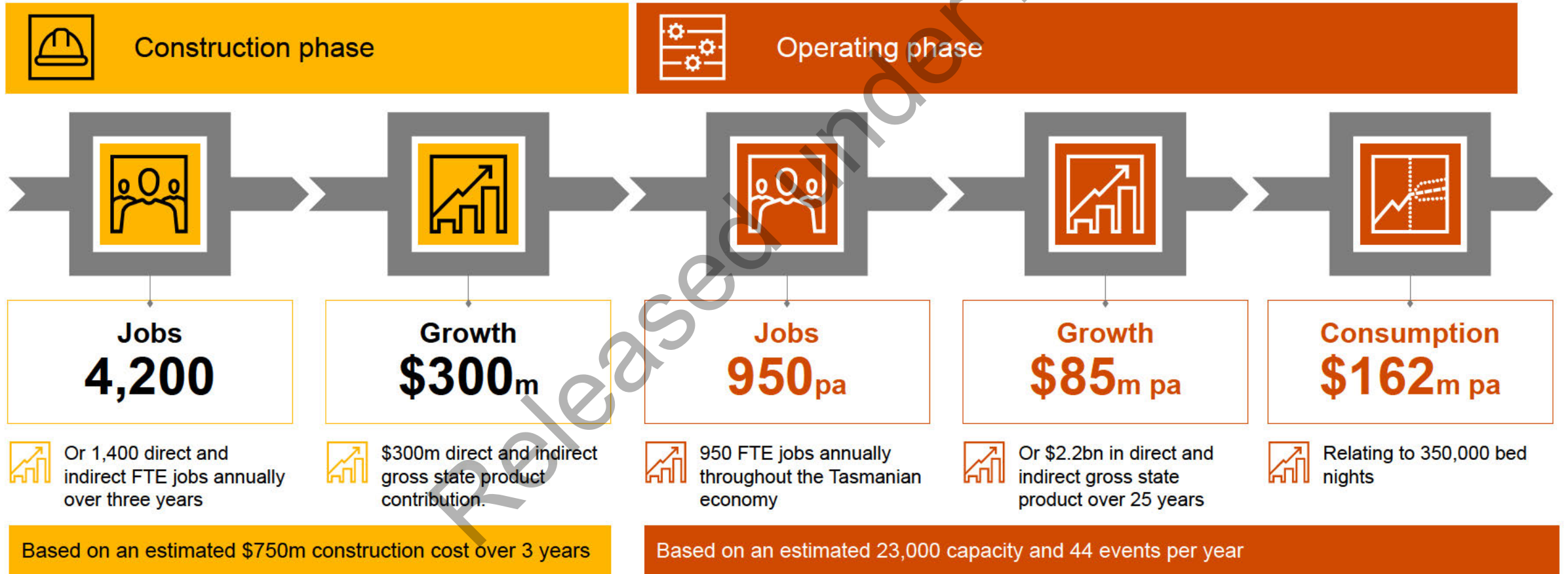
This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
- even if we consent to anyone other than the Department of State Growth receiving or using this report.

Liability limited by a scheme approved under Professional Standards legislation.

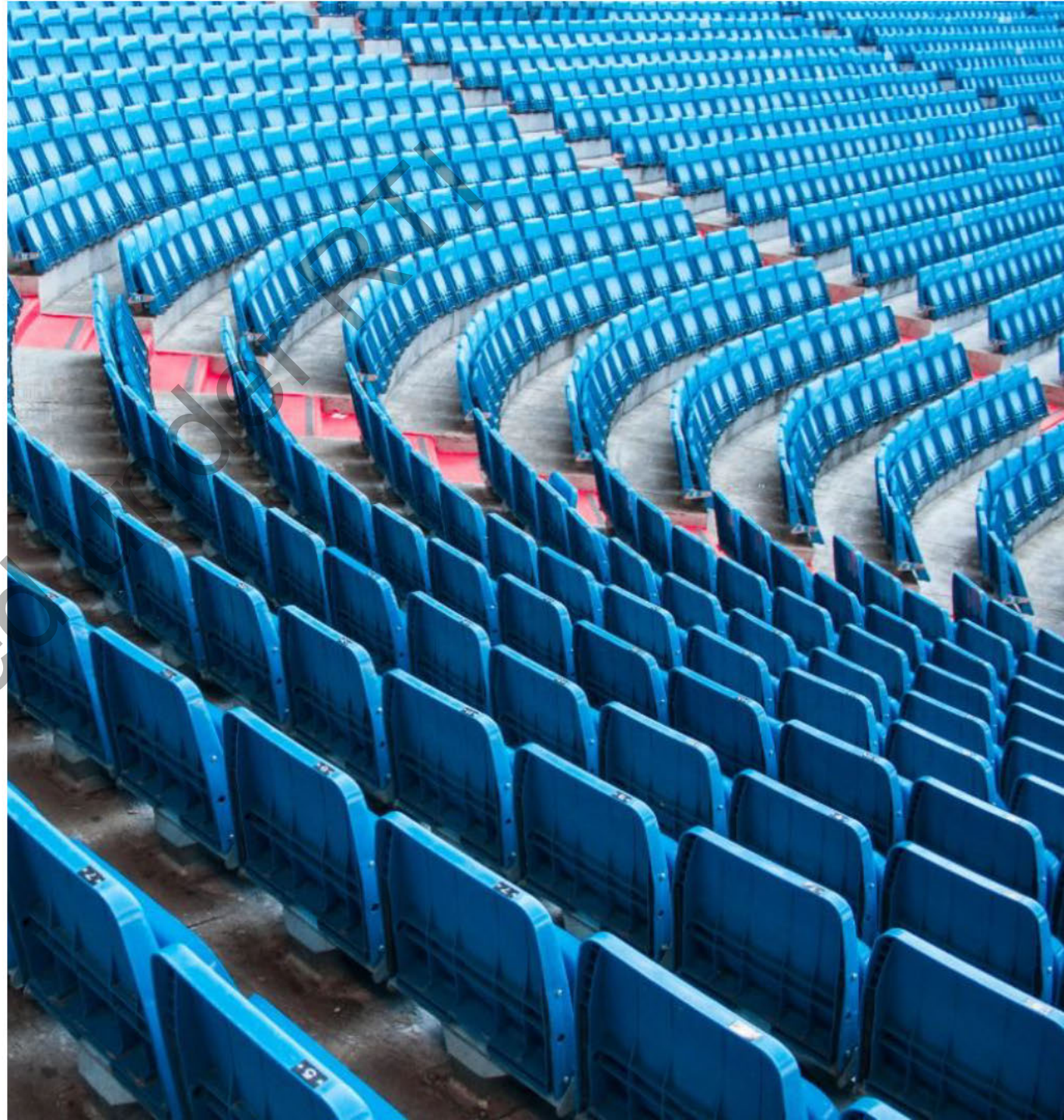
# Executive summary

A new 23,000 capacity stadium in Hobart could generate \$300m in additional economic activity and 4,200 jobs during construction, and \$85m in additional economic activity and 950 jobs in each year of operations



# Contents

<b>Section</b>	<b>Page</b>
Background and approach	5
Economic impacts during construction	6
Economic impacts during operation	7
Socio-economic benefits	8
Appendix A - Approach to estimating total economic impacts	9



# This analysis provides indicative estimates of the impacts that could be delivered by a new stadium in Hobart



## Background

The Tasmanian government is exploring an investment in a new 23,000 capacity tier 2 stadium in Hobart's city centre. The stadium would be the catalyst for a new arts, entertainment and sports precinct, supporting both circular and rectangular entertaining space and would be fitted with modern media facilities, corporate boxes and function facilities, and potentially a retractable roof to support matches and concerts in a range of weather conditions. This stadium also would serve as a key enabler for Tasmania's pursuit of a 19th AFL licence.

## Scope of work

PricewaterhouseCoopers Consulting (Australia) Pty Limited (PwC) has been engaged by Events Tasmania to estimate the economic impacts that could be generated by a new stadium in Hobart.

This analysis estimates the total economic impacts (i.e. gross state product (GSP), employment and household consumption impacts) generated for the Tasmanian economy during the facility's construction, and 25 years of its operation. This report also considers the qualitative, socio-economic impacts associated with the Stadium.

## Approach

This analysis is a tool to help raise awareness of the impact that this investment could have on the Tasmanian economy. It uses a computable general equilibrium (CGE) model to estimate the economy-wide impact of the construction and operations of the new stadium. More detail on CGE models is provided in the Appendix A. The analysis draws on the following key inputs:

- Indicative facility cost of \$750 million provided by Tasmanian Government
- Hobart Stadium Capacity Optimisation Analysis provided by Tasmanian Government
- Hobart Stadium Projected Content and Attendances provided by Tasmanian Government
- Expenditure of match attendees that is induced by the stadium - derived from spend data collected in 2017 from attendees at UTAS Stadium matches.<sup>1</sup> This data has been adjusted to account for inflation and the higher cost of living in Hobart.

This is an indicative and preliminary analysis - further and more detailed analysis and projections would be required for this analysis to be able to inform investment decision making, including:

- Detailed stadium design (including location and key attributes) of a series of investment options
- Robust facility cost estimates that are directly linked to detailed stadium design provided by a quantity surveyor
- Recent primary data collection (including spend patterns and attitudes towards event attendance in Hobart specifically).

<sup>1</sup> Attendee spend data obtained from the PwC report 'Estimation of the Economic Contribution of the Hawthorn Football Club 2017 Games in Launceston to the Tasmanian Economy'.

# The construction of Hobart stadium could deliver \$300m in additional economic activity and approximately 4,200 jobs



## Construction phase

The impacts of the stadium during construction are based on an estimated \$750 million cost over a three-year period.<sup>1</sup>



### \$300m

Direct and indirect GSP contribution during construction

The construction of the new stadium in Hobart is estimated to contribute \$300 million directly and indirectly in gross state product (GSP) over three years.

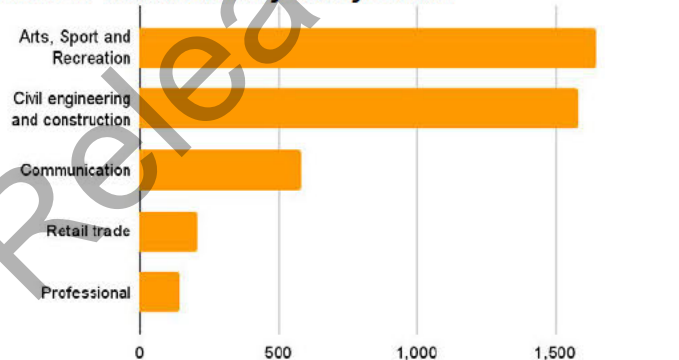


### 4,200

Jobs (FTE) in Tasmania

The construction of the new stadium in Hobart is estimated to support around 4,200 jobs over a three-year timeframe. The key sectors that this project would generate jobs in are:

Table 1: Construction jobs by sector



<sup>1</sup> Assumed construction costs have been provided by Tasmanian government.



# Hobart stadium could deliver 950 jobs and \$85m in additional economic activity each year it is operational



## Operations phase

The impacts of the stadium during its operations are based on an estimated capacity of 23,000 and notional event schedule of 44 events per year, and the estimated expenditure of match attendees.<sup>1</sup>



**104k pa**

**Interstate & overseas visitors**

The new stadium in Hobart is estimated to attract up to 104,000 interstate and overseas visitors and up to 184,000 intrastate visitors annually, corresponding to to 350,000 bed nights.



**\$162m pa**

**Direct expenditure**

Hobart stadium is estimated to attract up to to 420,000 attendees each year, contributing \$162 million in direct expenditure annually



**\$85m pa**

**Direct and indirect increase to GSP**

The new stadium in Hobart is estimated to contribute \$85 million directly and indirectly in gross state product (GSP) annually, or \$2.2 billion over 25 years.

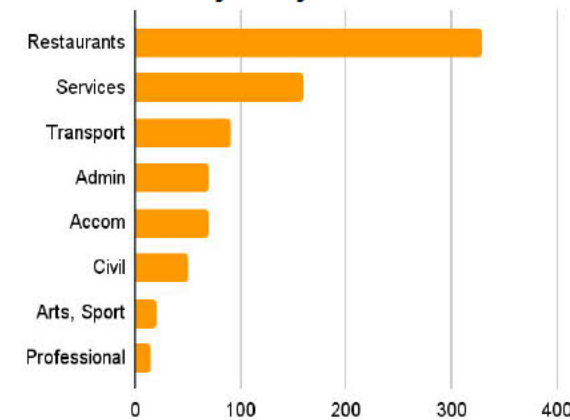


**950 pa**

**Tasmanian jobs (FTE)**

The stadium is estimated to support 950 jobs per annum in the following key sectors:

**Table 2: Annual jobs by sector**



### Assumed event schedule

Annual attendance is estimated by applying the notional stadium capacity (23,000) to a predicted events schedule (44 events per year - informed by analysis delivered for the Tasmanian Government).

The benefits to the Tasmanian economy generated by the stadium are driven by the net new events that the Stadium generates, and needs to exclude the events that are already in Tasmania (but would move to the Hobart Stadium).

This analysis considers past event schedules to infer that 44 total events could correspond to 28 net new events across the following event types:

- Australian Football League
- Big Bash League
- A-League
- International cricket (days)
- International rugby
- National Rugby League
- Concerts.

<sup>1</sup> Expenditure of match attendees that is induced by the stadium has been derived from spend data collected in 2017 from attendees at UTAS Stadium matches. This data has been adjusted to account for inflation and the higher cost of living in Hobart.

# An arts, entertainment and sports precinct has the potential to deliver a range of socio-economic benefits to Tasmania

## Land value uplift

- Stadia can increase property values in the surrounding areas by 3 - 4 per cent.

Wyatt, Amber (2020), *Do Sports Stadiums Raise Residential Values: The Case of Banc of California Stadium*

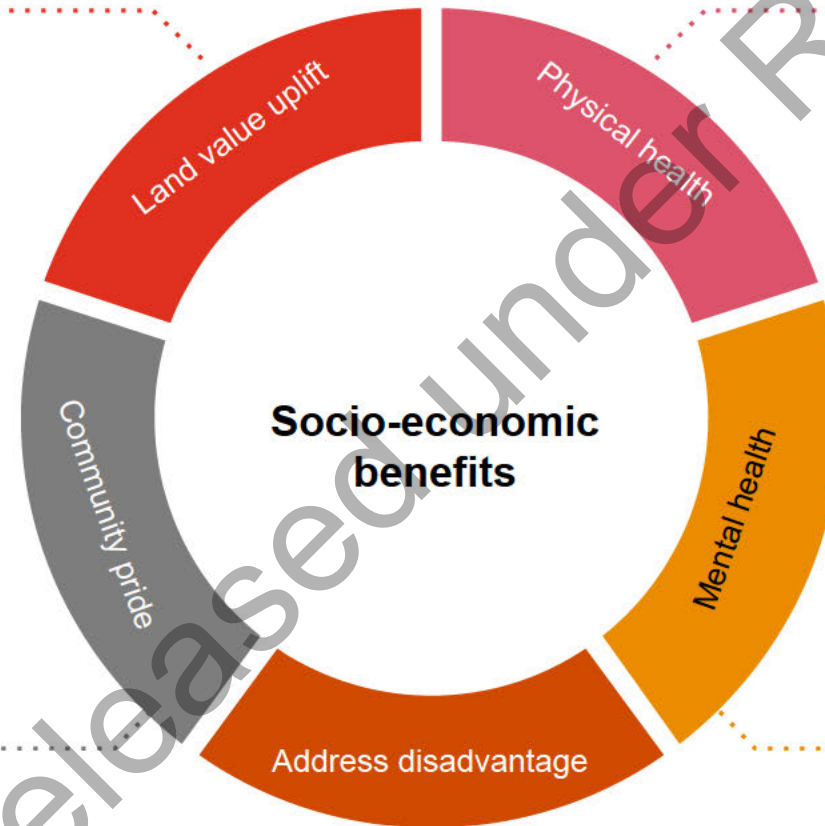
Tu, Charles. (2005). *How Does a New Sports Stadium Affect Housing Values? The Case of Fedex Field.*

## Regional iconography

- Large scale public infrastructure can be a landmark and symbol of pride for the local community.
- Local professional sports has the capacity to induce a stronger connection with a spectator's local environment and community

Explore Adelaide Oval

LEE, H.-J., JUNG, S.-K., & SEONG, M.-H. (2019). *The Effect of Professional Sport Spectator's Experience Economy Factors on Satisfaction: Focused on Mediating Effects of Attachment and a Sense of Community.*



## Sports spectatorship and self-rated health

- Sporting event attendance positively correlated with self-rated health. Those who attend sporting events are 33% more likely to indicate a higher level of self-rated health.

Inoue, Y., Sato, M., & Nakazawa, M. (2018). *Association between sporting event attendance and self-rated health: an analysis of multiyear cross-sectional national data in Japan.*

## Psychological benefits for sports spectators

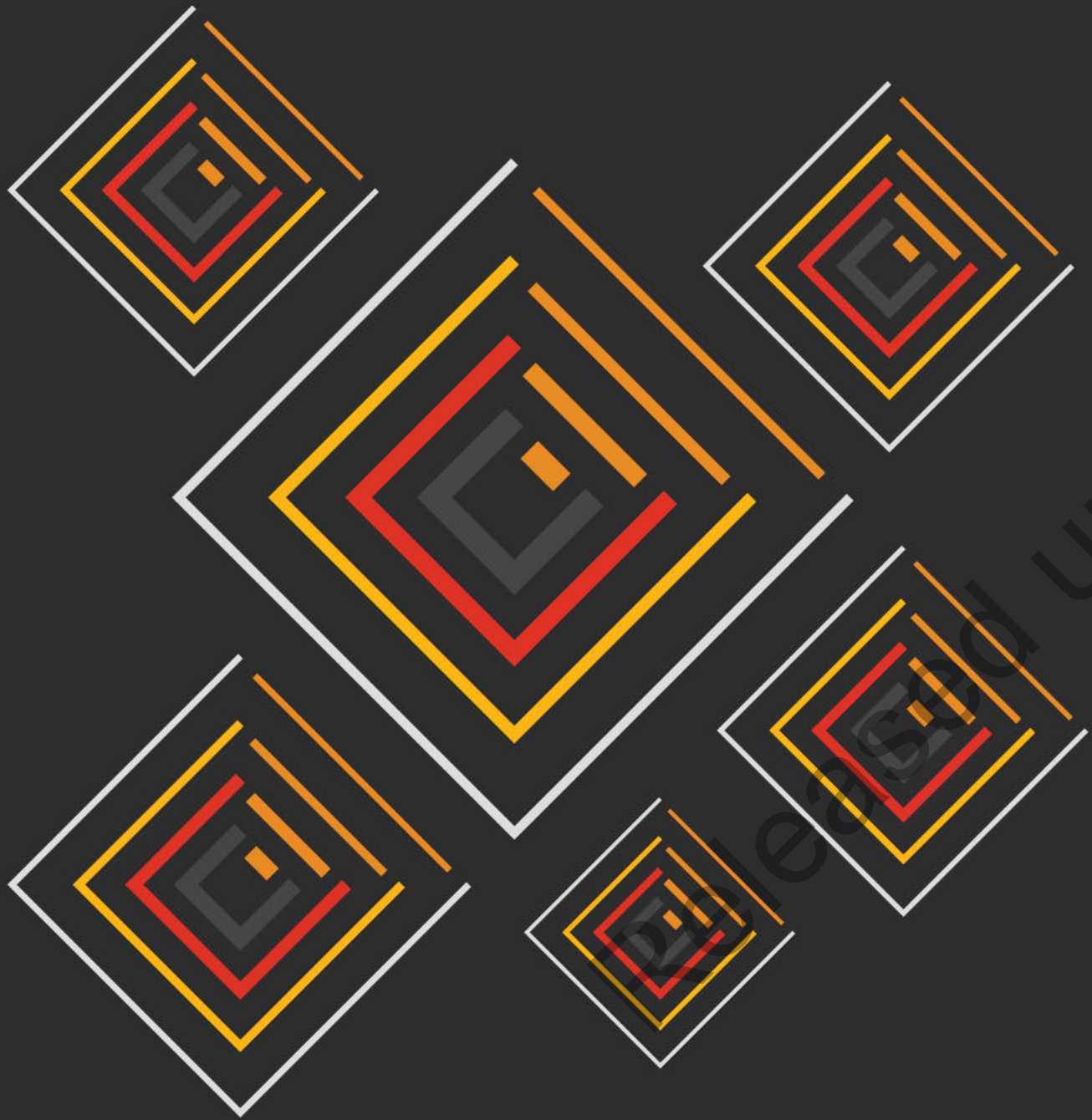
- Sport spectators are found to have activated the following four out of five domains of wellbeing:
  - Positive emotions
  - Relationships
  - Meaning
  - Accomplishment.

Doyle, Jason & Filo, Kevin & Lock, Daniel & Funk, Daniel & McDonald, Heath. (2016). *Exploring PERMA in spectator sport: Applying positive psychology to examine the individual-level benefits of sport consumption.*

## Generating high-value jobs in Hobart

- Tasmania has some of the highest systemic disadvantage in Australia. ABS data shows Tasmanians earn a median weekly income of \$1,000, which is the lowest in the country.
- Just four industries contribute 53% of the workforce (Health care, Retail trade, Accommodation and food services, Education and training, and Construction), leaving the Tasmanian labour market vulnerable to shocks.
- Hobart stadium will create new jobs while further diversifying and enriching the Tasmanian labour market.

ABS 2020



# Appendix A

Approach to  
estimating total  
economic impacts

# The estimated impacts of a new Hobart stadium are modelled utilising a computable general equilibrium (CGE) model

## CGE modelling to quantify the economic impacts

Estimated economy-wide impacts from the construction and operations of a new stadium in Hobart were modelled using a comparative static computable general equilibrium (CGE) model, a globally accepted and robust approach. The CGE model reflects the **total economy-wide impact** of the construction and operations of the new stadium taking into account these effects as well as the resource constraints of the economy (as the model recognizes that increased demand for resources in some sectors comes at the expense of other sectors that will give up some resources).

## What is a CGE model?

CGE modelling is a sophisticated, multivariate computer-based model which measures the effect an investment or initiative has on the national, state/territory and/or regional economies. CGE models recognise that complex interactions occur and endeavour to replicate how the economy will behave given these complex interactions. Essentially, the model works by showing the impact on the equilibrium economy of certain 'shocks', or specific changes to inputs based on the nature of scenarios being explored.

PwC uses the models developed by the Centre of Policy Studies (CoPS) at Victoria University. These are preferred because they have been peer reviewed, meaning the inputs and assumptions are fully and publicly documented, providing greater modelling credibility. The Victoria University models have wide use in Australia by both government and the private sector.

The specific CGE model used here is the Victoria University Regional Model (VURM)\*. VURM is a multi-regional CGE model of Australia's eight regional economies — the six States and two Territories. Each region is modelled as an economy in its own right, with region-specific prices, region-specific consumers, region-specific industries, and so on.

VURM models the economy as a system of interrelated economic agents operating in competitive markets.

\* Refer to the Victoria University website for further details:

<https://www.vu.edu.au/centre-of-policy-studies-cops/contract-research-cge-model-sales/cge-model-sales/victoria-university-regional-model-vurm>

Hobart stadium - Estimating the economic impacts of a new arts, entertainment and sports precinct in Hobart

PwC

There are four types of agent: industries, households, governments and foreigners. Economic theory specifies the behaviour and market interactions of economic agents, including consumers, investors, producers and governments operating in domestic and foreign goods, capital and labour markets. Defining features of the theoretical structure of VURM include:

- Optimising behaviour by households and businesses in the context of competitive markets with explicit resource constraints and budget constraints;
- The price mechanism operates to clear markets for goods and factors such as labour and capital (i.e. prices adjust so that supply equals demand); and
- At the margin, costs are equal to revenues in all economic activities.

Based on the model's current database (which was recently updated to the 2018-19 year), in each region 88 industries produce goods and services. In each region, there is a single household sector and a regional government. There is also a Federal government. Finally, there are foreigners, whose behaviour is summarised by demand curves for regional international exports and supply curves for regional international imports.

## Limitations

The CGE model's limitations include:

- the base case assumes the economy to be in equilibrium and a lagged adjustment process in the labour market.
- Consumer preferences, industry technologies and productivity are fixed at 2018/19 levels.
- Political factors include changes in government policy. For example, changes in regulations impacting on a particular industry would not have been factored into the model.

The model also assumes that the willingness of labour to move to regions is based on wage differentials, plus an adjustment factor to allow for the possibility that households may have a preference for particular geographic locations.

# The CGE model captures direct and indirect impacts



## The total economy-wide impacts are made up of direct and indirect (flow-on) effects

The construction and operations of the new stadium in Hobart, Tasmania provide both direct and flow-on impacts to the Tasmanian economy. The estimated overall economic impact of Hobart stadium can be split into the following two major components:

- **Direct impacts** - which are measured through its direct employment and economic activity impacts. The economic activity generated by Hobart stadium is effectively the value of goods and services produced by the construction and operations of the stadium less the inputs used from other industries and is equivalent to its direct contribution to gross state product (GSP).
- **Indirect (flow-on) impacts** - through the stimulation of economic activity up and down the sport and recreation services supply chain. That is, the investment/spending in Tasmania during the construction and operations phases stimulates employment and activity in businesses supplying goods and services. For example, indirect impacts include companies that provide goods or services in connection with consumer spending at the Stadium. An example of an indirect impact related to consumer spending would include additional demand for a food product supplier.

Total economy-wide impacts represent the sum of the gross direct and indirect economic impacts.

This report focuses on the state level results and does not report national results, as states exist in an economy competing nationally for capital and labor.

In our CGE analysis, we have estimated the impacts of the construction and operations of the new stadium in Hobart on key macroeconomic variables. Each of these measures is described below.

- **Gross state product (GSP)** – this represents the “value added” to the economy through spending patterns. Since the GSP figure captures the difference between the value of output and the value of intermediate inputs, it represents the unduplicated total value of economic activity that has taken place. The GSP impacts in this report represent the value added to the economy as a result of the capital expenditure made in Tasmania in connection with the construction of the stadium as well as expenditure from intrastate, interstate and overseas visitors on food and drinks, accommodation, transportation, entertainment and general shopping.
- **Employment** – represents the number of additional full time equivalent jobs created as a result of the capital expenditure during construction and the expenditure from intrastate, interstate and overseas visitors during operation.
- **Household consumption** – measures household economic wellbeing through the acquisition of goods and services. To the extent that consumption can be considered as a proxy for living standards, an increase in consumption implies the Australian population is better off.

# Impacts during construction and operations are driven by a number of key inputs and assumptions

## Scenarios modeled

To estimate the total economic impact of the presence and operations of a new stadium in Hobart, the following two scenarios are modeled:

- Base case – The baseline for the CGE simulation is a representation of the Tasmanian economy without a new stadium in Hobart.
- Project case – This models the overall effects of the presence and operations of a new stadium in Hobart.

The estimated economic impacts are determined by calculating the difference in economic outcomes between the Project case and the Base case scenarios.

The estimate of direct and indirect economic impacts generated from the construction and operations of the new stadium are estimated using 'shocks'. The CGE model used in this analysis looks to estimate the broader effects of an investment on the whole economy by observing economic interactions between industries. We modeled the following 'shocks' to identify the total economic impact of the construction and operations of the new stadium on the Tasmanian economy:

- Construction phase – The construction phase impacts are estimated based on a construction expenditure 'shock' of an investment in the Sport and recreation services industry.
- Operation phase – The operation phase impacts are estimated based on a 'shock' of the total spending by intrastate, interstate and overseas visitors (e.g. expenditures on transportation, food and accommodation, entertainment, shopping, and others).

## Model inputs and assumptions

The main modeling inputs and assumptions for this assessment are:

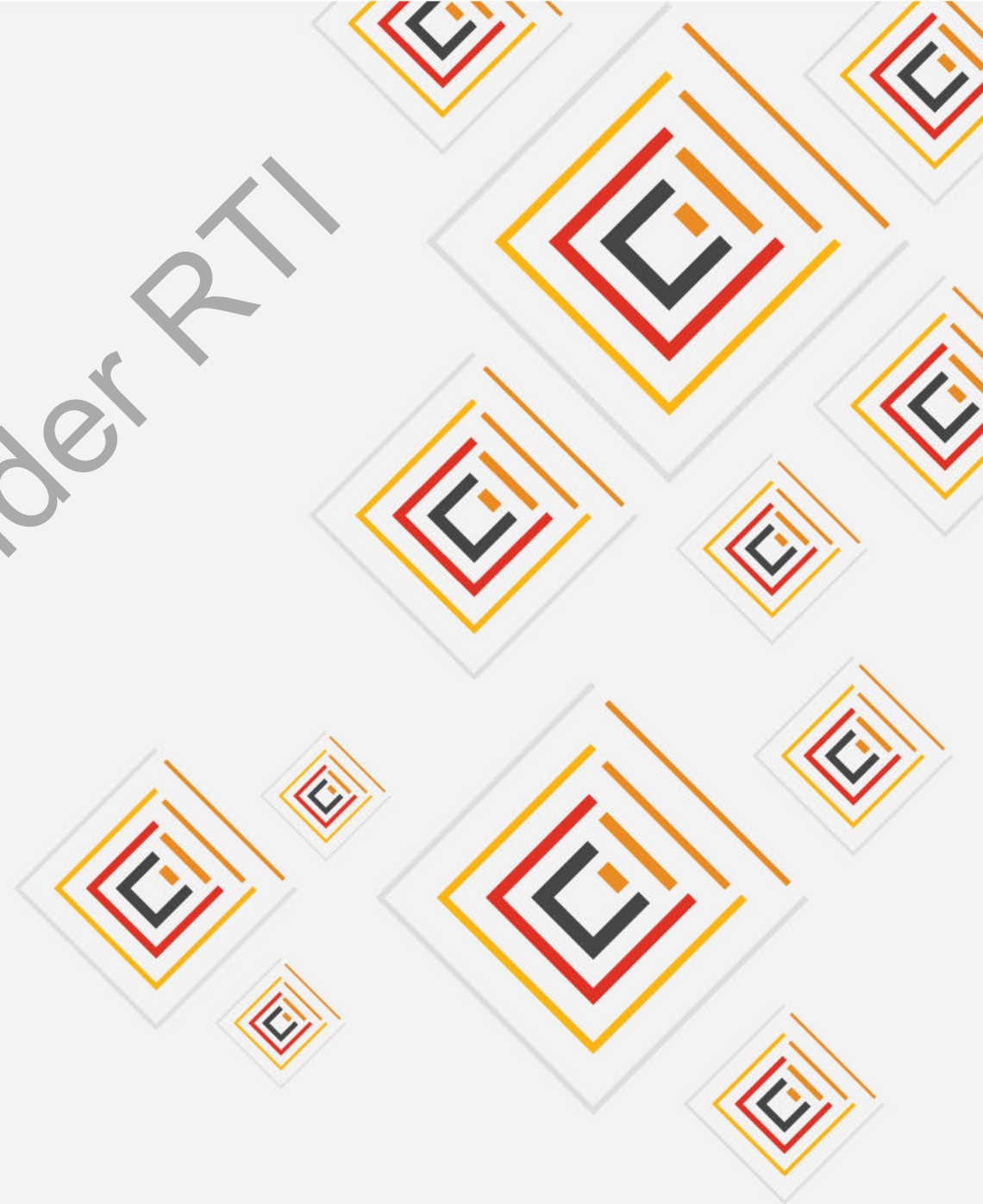
- The total amount of project capital expenditure during the development of the new stadium in Hobart. The associated capital expenditure over three years is \$750 million.
- The total amount of intrastate, interstate and overseas visitors' spendings. The direct expenditure by visitors during an 'average' operating year is estimated to be around \$162 million.
- The location of spending. 100% of the spendings during the operation phase is assumed to occur in Tasmania in which the stadium is located.
- Our analysis of total attendance and visitor numbers, which has been informed by analysis completed for the Tasmanian Government.

# Thank you

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# HOBART STADIUM CAPACITY OPTIMISATION ANALYSIS

Final Report  
29 Aug 2022

Released under RTI



# About this Report

## Overview

MI Global Partners (MI) has been commissioned by the Australian Football League (AFL) to undertake a demand and optimisation analysis and provide data and insight into what the suitable capacity should be for the potential new Hobart Stadium.

This report assesses the costs and benefits of developing the stadium at different capacities and the future content acquired by the stadium. In theory, the stadium capacity is optimised when demand and yield for the future event content is maximised and outweighs the cost of the development.

In compiling this report, MI has undertaken research into historical attendances, as well as stakeholder engagement with Events Tasmania, Infrastructure Tasmania, AFL, Football Australia, Rugby Australia, Live Nation and TEG.

All assumptions used and sources of information are detailed throughout the report. It should be noted that pre 2020 attendances were used in the development of this report to account for anomalies as a result of the COVID-19 pandemic.

## Disclaimer

MI has prepared this report in conjunction with and relying on information provided by third parties. We do not imply, and it should not be construed that we have performed any audit or due diligence procedures on any of the information provided to us.

It is important to note that the quantification of the optimal stadium capacity through the identification of event content and its projected attendances and visitation is not a precise science. Accordingly, MI do not accept any responsibility for errors or omissions, or any loss or damage as a result of any persons relying on this report for any purpose other than that for which it has been prepared.

The report should not be provided to any other persons other than representatives of the AFL and Tasmanian Government or made public without the prior written consent of MI.

MI disclaims all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages and costs any party might incur as a result of the information being inaccurate or incomplete in any way, and for any reason.



# Contents

1. Executive summary	04
2. AFL content	08
3. Other potential content	12
4. Future content calendar	17
5. Optimisation analysis	19



Release

*Illustration purposes only*

# Executive Summary

## Potential Stadium Content

- Outside of AFL (AFL and AFLW), there is appetite (from content owners) and consumer demand for additional content such as Football (Socceroos, Matildas, U23, A-League), Rugby (Wallabies and Super Rugby), Cricket (International and domestic BBL), Ad-hoc entertainment events (i.e. International Football Friendlies, Supercross etc.), Musical acts / concerts, World Cup content, Business events and existing Tasmanian events utilising the new stadium.
- The following would assist in driving stadium utilisation:
  - High functionality (i.e. moveable multi-purpose seating modes)
  - A retractable roof to provide greater confidence in attendances / promoters and provide more event options
  - Flexible hospitality spaces, business event spaces configurable to suit varying capacities (>1,500 ppl)
  - Modern stadium technology such as LED functionality, stadium WiFi etc.
  - Increased content acquisition fund to secure high demand content or to reduce the risk for the proponent (offsetting gate revenues).
- An annual event calendar of 44 events (28 new to Tasmania) could be achieved with an estimated additional acquisition budget of \$5.3M.
- It is projected that the stadium could see on average 587,000 in attendance each year, 420,000 attendees from events that are new to Tasmania and 115,700 (104,000 from new events) interstate and overseas visitors each year.

Content	Content per year	Estimated Attendance per event
<b><u>AFL</u></b>		
AFL Final Matches (i.e. Dedicated Tasmanian team)	0.25	30,000
AFL Regular Season Matches (i.e. Dedicated Tasmanian team)	7	20,000
AFLW Matches (i.e. Dedicated Tasmanian team)	2	5,000
<b><u>Football</u></b>		
A-League Matches (i.e. Western United)	3	7,500
Tier 2 Socceroos (i.e. vs Qatar) and Tier 1 Matildas (i.e. vs Brazil)	0.25	22,500
Youth international football (i.e. Olympics U23 qualifiers etc)	0.25	5,000
<b><u>Rugby</u></b>		
Tier 2 Wallabies (i.e. vs Fiji, Japan)	0.25	22,500
Super Rugby Magic Round	0.25	20,000
Super Rugby Matches (i.e. Melbourne Rebels)	2	7,500
<b><u>Cricket</u></b>		
Test Matches (i.e. Ashes)	0.125	67,500
Men's ODI / IT20	0.5	17,500
Women's ODI / IT20	0.5	7,500
BBL (i.e. Hobart Hurricanes)	4	10,000
WBBL (i.e. Hobart Hurricanes)	4	5,000
<b><u>Entertainment</u></b>		
Tier 1 concerts (Internationals)	3	30,000
Tier 1 minus concerts (Internationals or popular Australian)	5	15,000
Ad-hoc sport (i.e. UFC, Football Internationals, Boxing, College Football, Supercross, Motocross)	3	22,500
<b><u>Existing Tasmanian Events</u></b>		
Dark Mofo / Mona Foma	2	7,500
Local events (i.e. Targa, Festival of Voices, Aust Wooden Boat Festival)	3	5,000
Mass Participation events (i.e. Australian Masters Games, International Transplant Games, Special Olympics)	0.25	15,000
<b><u>Business Events</u></b>		
Business Events (>1,500 ppl)	2	2,500
<b><u>World Cup Content</u></b>		
Tier 3 Content	0.5	27,500
Tier 4 Content	0.5	17,500
<b>Weighted Total / Annual Average</b>	<b>43.625</b>	<b>587,188</b>

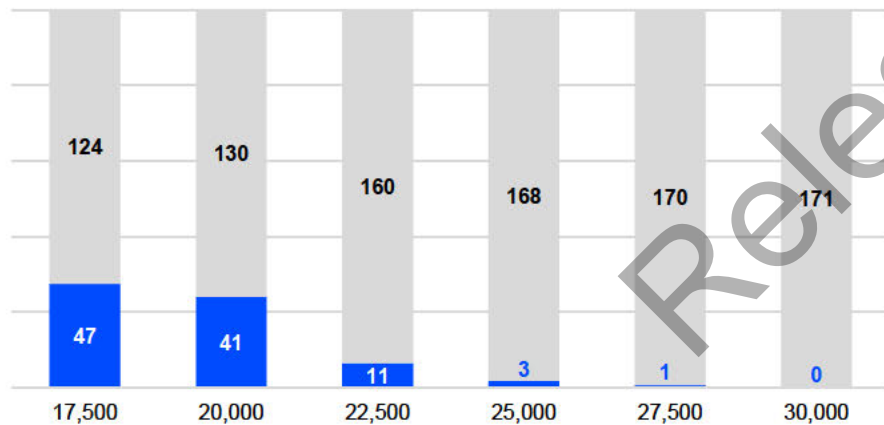
*Key* 0.25 = 1 every 4 years, 0.125 = 1 every 8 years

# Executive Summary

## Impact of Stadium Capacity

- Based on a projected event calendar, it is estimated that 171 events that could be hosted across a 4-year cycle.
- An event will be impacted when demand and attendances exceeds stadium capacity ensuring smaller attendances, less visitors, smaller event yield as well as restricting commercial viability.
- About 24% of events will be impacted at a capacity of 20,000 or under, falling to just 6% of events impacted at a capacity of 22,500.

Events impacted at different capacities ■ Impacted ■ Not Impacted



# Executive Summary

## Optimisation Analysis Overview

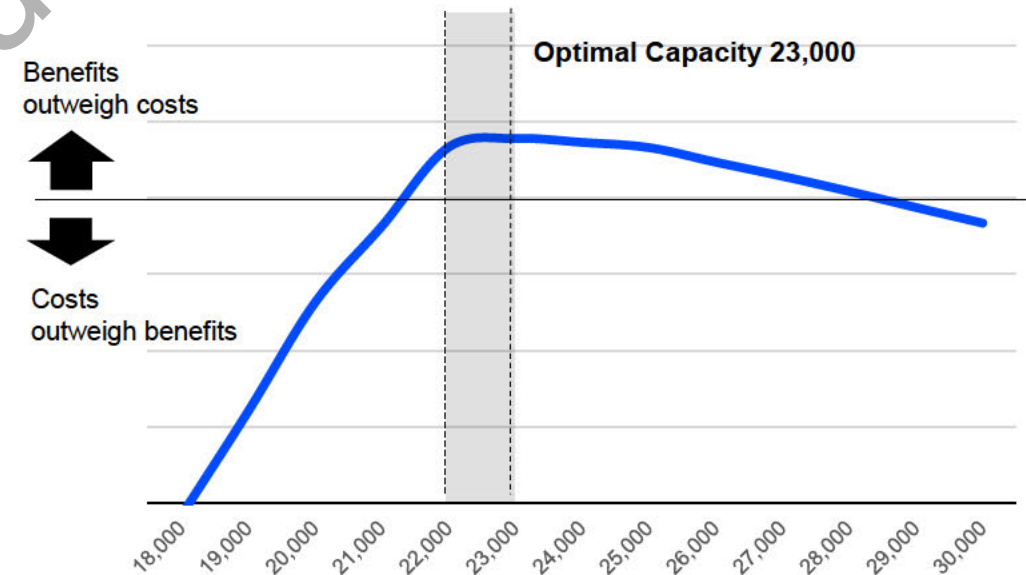
- The optimisation analysis assesses the benefits (i.e. yield – the new money spent in Tasmania as a result of visitation to new events) Hobart Stadium content generates against construction costs of the new stadium, content acquisition fees and Tasmanian Government contribution to AFL
- A favourable capacity of the development is when the present value of net benefits exceeds the present value of net costs.
- The optimal capacity is the capacity that returns the largest positive differential of present-day benefits and present-day costs.

## Findings

- The benefits generated through event content outweigh development costs at an increasing rate from 18,000 to 22,000 capacity, before plateauing and then falling when the capacity increases above 24,000.
- This is a result of the number of events impacted by the capacity falling from 23% at a 20,000-seat capacity to only 6% of events impacted at a 22,500-seat capacity.
- It also shows that increasing from 22,500 to 25,000 capacity will see only 8 events over 4 years (2 marquee AFL matches a year – i.e. vs Collingwood or Richmond that could achieve 23,500 - 24,500 in attendance) no longer restricted, however the additional construction costs (~\$30M) of at 25,000 seat stadium compared to a 22,500-seat stadium outweighs the benefit of maximising the attendances and visitation for these matches.
- It should be noted that developing the stadium capacity below 20,000 (mid cost scenario) will return a negative result for Tasmania, i.e. costs outweighs the benefits of hosting 44 (28 new) events per year.

**It is recommended that the optimal capacity for the potential new Hobart Stadium to be 23,000**

Optimisation Analysis – Benefits relative to costs (Baseline scenario)



# Report Main Body



*Illustration purposes only*

## Historic AFL Attendances in Tasmania

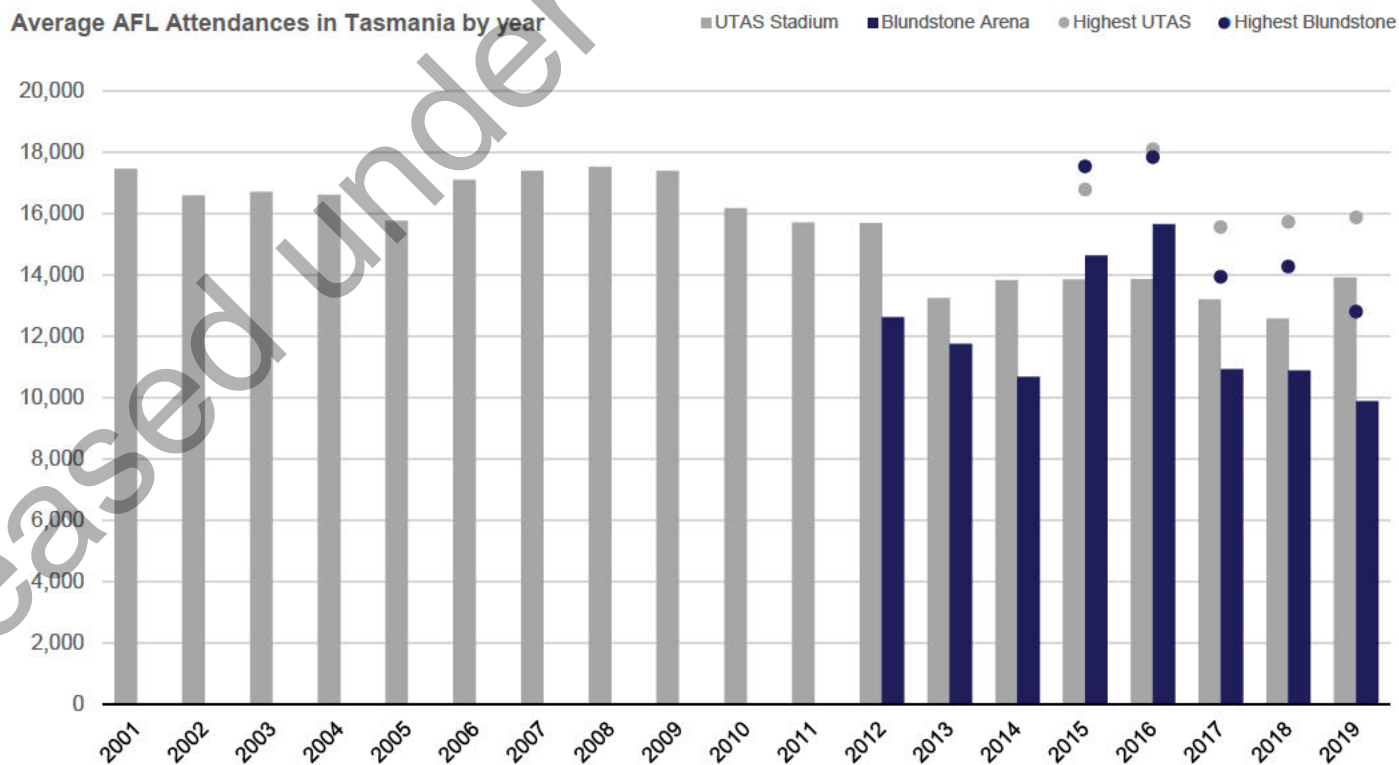
From 2015 to 2019, Hawthorn (HFC) averaged 13,480 in attendance at UTAS Stadium, with a highest attendance of 18,112 against Carlton in 2016.

During the same period, North Melbourne (NMFC) averaged 12,236 at Blundstone Arena, with a highest attendance of 17,844 against Richmond, also in 2016.

Analysis of match attendances from 2015 to 2019 shows there is a significant uplift (+28%) in attendances when HFC and NMFC play against Melbourne based sides compared to non-Melbourne based sides. This is most likely due to greater local support for Melbourne based sides (due to no existing dedicated Tasmanian AFL team) and likely increased interstate travel and support for these sides from Melbourne in comparison to non-Melbourne based sides.

### Average Attendances 2015 - 2019

Host Team	Vs Melb based sides	Vs Non-Melb based sides	% Uplift
HFC	15,793	12,235	29%
NMFC	13,681	10,791	27%
<b>Total</b>	<b>14,737</b>	<b>11,513</b>	<b>28%</b>



Source: Austadiums

## Key drivers to maximising AFL attendance

There are three key factors that will maximise attendance for the proposed Tasmanian AFL team:

- Draw / quality of content (i.e. stronger competing teams, Melbourne based)
- Strength of the membership model
- Stadium experience

### Draw and quality of content

AFL attendances in Tasmania have been declining in recent years, however, this could be driven by the fixturing with both HFC and NMFC hosting the same lower drawing non-Melbourne sides (i.e. GWS, Port, Fremantle, Gold Coast) year after year.

Attendance analysis since 2015 suggests that matches versus Melbourne based sides see a 28% uplift in attendances versus non-Melbourne based sides.

NMFC and HFC matches also saw a 3,000 to 5,000 uplift in attendance in the same year when they played against stronger supported Melbourne based sides such as Richmond and Carlton in comparison to other Melbourne based sides such as Melbourne and St Kilda.

### Strength of the membership model

One significant factor driving attendance in all stadiums is the ample availability of seats for each event. Local attendees for UTAS Stadium and Blundstone Arena often can make their decision to attend events on the day due to weather and perceived quality of the match as a result of the high availability of tickets left on match day.

Developing a strong membership model can assist in creating scarcity of seats and higher demand for tickets, whether it is venue based like the Sydney Football Stadium or Suncorp Stadium (allowing members to have access to multiple types of content such as Rugby League, AFL, Super Rugby, and A-League) or club based like Geelong Cats and West Coast Eagles.

These AFL clubs have been able to sell more club memberships compared to their home ground seating capacity resulting in near sellout matches each week (93% and 89% of capacity respectively), well above the 2019 AFL average of 63%. On the other side of the spectrum, Gold Coast Suns has the lowest membership of all AFL clubs (13,649) correlating to the lowest attendance as a percentage of capacity (51%).

Team	2019 Members	Seating Capacity	2019 Avg crowd (% of capacity)
West Coast Eagles	103,358	60,156	89%
Geelong Cats	65,063	36,000	93%
<b>AFL Average</b>	<b>58,754</b>	<b>-</b>	<b>63%</b>
Gold Coast Suns	13,649	22,500	51%

The AFL Taskforce Business Case states the Tasmanian AFL team could attract up to an estimated 28,000 ticketed club members in Tasmania.

The 28,000 Tasmanian memberships would be split between full season, Launceston matches only, Hobart matches only as well as 3 match memberships. It is estimated that 14,700 of the 28,000 would have access to each of the Hobart Stadium matches.

Further strengthening the membership model and creating a scarcity of seats available to the general public will only further drive attendances each week.



## Key drivers to maximising attendance

### Stadium Experience

There are several strong case studies that indicate an improved stadium experience has a significant impact on attendances.

This experience can be delivered through modern stadium design delivering safe and clean amenities, improved access to quality food & beverage and other amenities, a better and more comfortable view, an exciting atmosphere within the stadium (i.e. enclosed roof and seating bowl) as well as a connection to a vibrant surrounding precinct.

Three new or redeveloped Australian stadiums in recent years has demonstrated that attendances can increase significantly for the exact same content.

Adelaide Oval, Optus Stadium and more recently CommBank Stadium have seen an increase in attendance for like for like content of 30%, 50% and 44% respectively.

### Uplift in attendances – Redeveloped Stadiums

Stadium	State	Opened	Attendance Uplift
Adelaide Oval	SA	2014	+30%
Optus Stadium	WA	2017	+50%
CommBank Stadium*	NSW	2019	+44%

\*CommBank Stadium uplift is based on Parramatta Eels attendances

Although it is hard to project what the impact of a new state of the art, potentially roofed stadium in Hobart would have, the evidence above suggests it will drive greater attendances and visitation compared to its existing stadia in UTAS Stadium and Blundstone Arena.



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## Projecting Attendances for the Proposed Tasmanian AFL Team

AFL attendances can be split into four key categories – members, hospitality, local GA and interstate GA.

It is expected that 100% of member's tickets are used each week for matches against Melbourne based sides (14,700) and 85% for matches against non-Melbourne based sides (12,495).

*PWC's Background report - The current economic impact of AFL in Tasmania* states that Tasmanian AFL matches see an average of 22.5% interstate visitation. It also states a low scenario where matches only see 15% visitation which is likely attributable to matches involving non-Melbourne based sides (i.e. 1,835 average interstate visitors) and a high scenario of 30% visitation (likely attributable to matches involving Melbourne based sides (i.e. 4,740 visitors). It is expected the new roofed stadium will drive visitation further and for the purposes of this analysis, it is estimated an uplift of 10% visitation (i.e. 2,020 for non Melbourne sides and 5,215 for Melbourne based sides).

The remaining attendees are local GA or corporate hospitality. HFC at UTAS Stadium saw between 415 and 1,060 GA and hospitality attendees for matches against non-Melbourne and Melbourne based sides respectively. The new stadium, with greater and improved hospitality facilities and enhanced spectator experience, is projected with see this category of attendees double.

### Match Attendance vs Non-Melbourne based teams

	Members	Local Corporate and General	Interstate	Total
HFC matches	10,000	415	1,835	12,250
Tas matches	12,495	830	2,020	15,345
Difference (% uplift)	2,495 (25%)	415 (100%)	185 (10%)	3,095 (25%)

### Match Attendance vs Melbourne based teams

	Members	Local Corporate and General	Interstate	Total
HFC matches	10,000	1,060	4,740	15,800
Tas matches	14,700	2,120	5,215	22,035
Difference (% uplift)	4,700 (47%)	1,060 (100%)	475 (10%)	6,235 (39%)

HFC and NMFC high and low attendances each year are +/- 10% compared to the average for matches against Melbourne based sides and +/-15% for matches against non-Melbourne based sides.

Based on the averages calculated, the range in attendances are therefore expected to be between a low of 13,000 (i.e. GWS / Gold Coast) and a high of 24,250 against a big Melbourne based club such as Richmond or Collingwood.

On average, each non-Melbourne side plays 4.5 matches at home versus other interstate teams, and 6.5 home matches against Melbourne based sides.

Using this logic, the projected average home attendance for a Tasmanian AFL team at the new Hobart Stadium is:

- s37 [REDACTED]
- s37 [REDACTED]

## Stadium Utilisation Benchmarks

An assessment of the major stadiums across Australia shows utilisation to be as low as 10 events per year for UTAS Stadium (and other Tier 2 and Tier 3) venues, and up to 75 events per year at Marvel Stadium.

The majority of commercially viable Tier 1 venues have multiple tenants, that utilise the venue between 35 and 55 events per year, or a utilisation rate of above 67% (events per week).

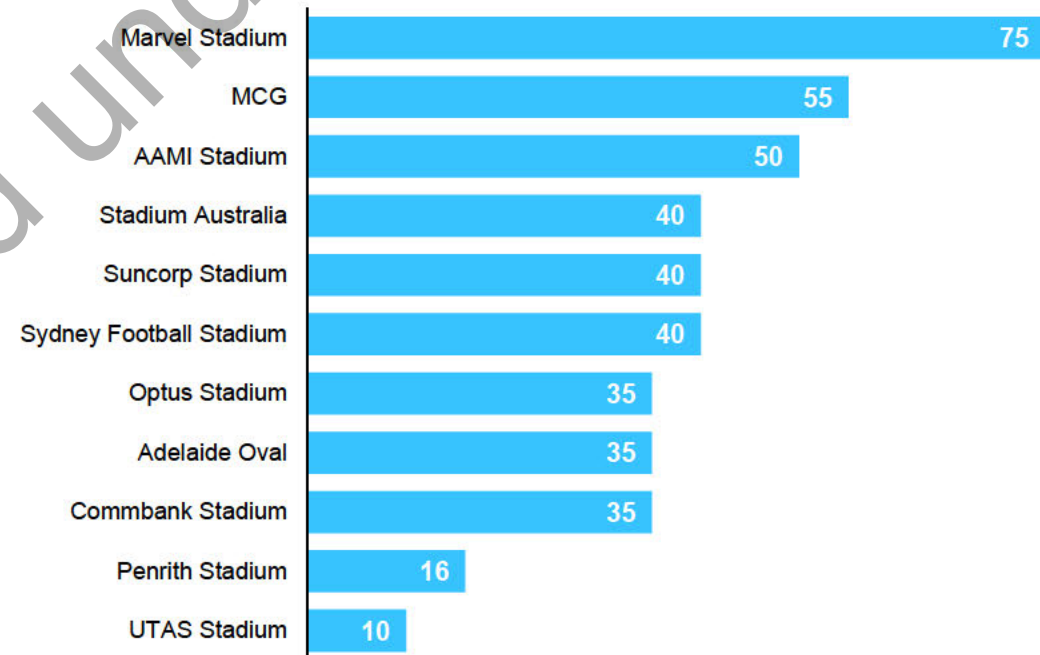
All venues are different in terms of its commercial model and the commercial agreements it has in place, and therefore it is difficult to know the commercial breakeven point for each individual venue. For example, Tier 1 venue Marvel Stadium requires between 40 and 50 events each year to break even, while Tier 2 venue Penrith Stadium (capacity of 22,500), requires upward of 20 events each year to break even.

Based on the likely capacity for the new Hobart Stadium making it a Tier 2 venue and similar size to Penrith Stadium, the estimated breakeven point is therefore between 20 and 30 events per year.

s37



Major Stadium Utilisation – Number of events per year



# Drivers of Stadium Utilisation

## Acquisition strategy and budget

There is strong competition in the major event landscape in Australia, with Tasmania's budget significantly lower than the five mainland states. This significantly inhibits Tasmania's ability to acquire ad-hoc major events and World Cup content such as the upcoming FIFA Women's World Cup 2023 and Rugby World Cup 2027.

Following the 2021 State Election, the Tasmanian Government committed to establishing Stadiums Tasmania. The establishment of Stadiums Tasmania will enable the development of a longer-term stadia strategy for Tasmania.

This entity will take ownership of both UTAS Stadium and Blundstone Arena as well as the new potential Hobart Stadium and is expected to manage the stadiums with an increased commercial lens. It is understood that the new entity is likely to have an event acquisition budget on top of the expected increased acquisition budget for Events Tasmania.

Outside of acquisition budgets, Events Tasmania are also investigating the establishment of a risk pool which will assist in acquiring music content by off setting the risk to promoters (i.e. offsetting the gate revenue, should the event not reach the promoters desired attendance target).

With increased budgets, establishing a concert risk pool and a focused acquisition strategy, there is a potential for additional acquired content at the new Hobart Stadium to ensure the stadium can reach its utilisation target of between 20 and 30 events each year in addition to targeting more ad-hoc special events and future World Cup content.

## Increasing appeal for content owners

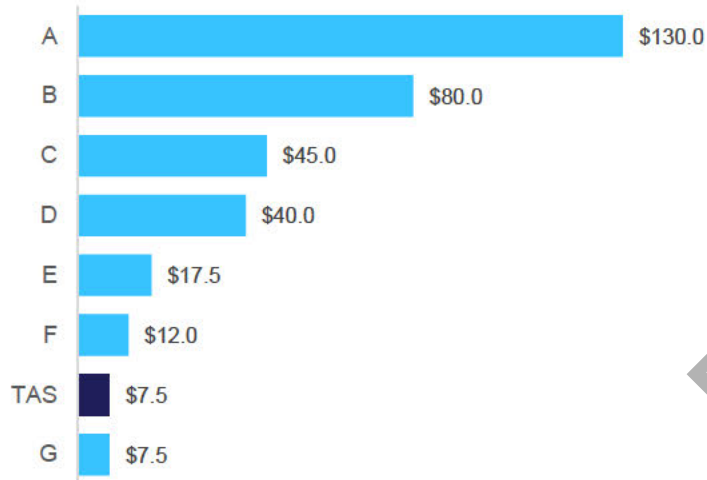
MI undertook stakeholder interviews with key content owners to understand what the appetite would be to host non-AFL content at the potential new Hobart Stadium.

The interviews included TEG and Live Nation (music, ad-hoc sporting major events), Football Australia and Rugby Australia.

Overall, interest was high to bring content to Tasmania, however it was noted that in addition to acquisition fees, the following would assist in driving stadium utilisation:

- High functionality (i.e. moveable multi-purpose seating modes) to increase appeal for the rectangular sports such as Football and Rugby and smaller 'arena' type concerts
- A roof would provide greater confidence in attendances by improving fan comfort and experience, making it weatherproof and guaranteeing pitch conditions. It should be noted that from a musical act perspective, there is no difference acoustically whether it is fixed or retractable, however a retractable roof provides more options (fireworks display vs intimate arena setting)
- Flexible hospitality spaces, business event spaces configurable to suit varying capacities (>1,500 ppl)
- Modern stadium technology such as LED functionality, stadium WiFi etc.

Estimated Major Event Budgets by State Tourism Bodies (\$M)



# Potential Stadium Content

## Potential annual content

The following has been identified as potential content that could be hosted by the new Hobart Stadium:

### AFL

- AFL Finals matches (i.e. Dedicated Tasmanian team)
- AFL regular season matches (i.e. Dedicated Tasmanian team)
- AFLW regular season matches (i.e. Dedicated Tasmanian team)

### Football

- Tier 2 Socceroos and Tier 1 Matildas matches (i.e. international friendlies, World Cup / Asian Cup qualifiers)
- A-League matches (i.e. Western United)
- Youth International / U23 (i.e. Olympic qualifiers)

### Rugby

- Tier 2 Wallabies matches (i.e. June-Sep internationals)
- Super Rugby matches (i.e. Melbourne Rebels)
- Super Rugby Magic Round (i.e. hosting a round of all Super Rugby teams across one weekend)

### Business Events

- Business events catering for > 1,500 persons

### Cricket

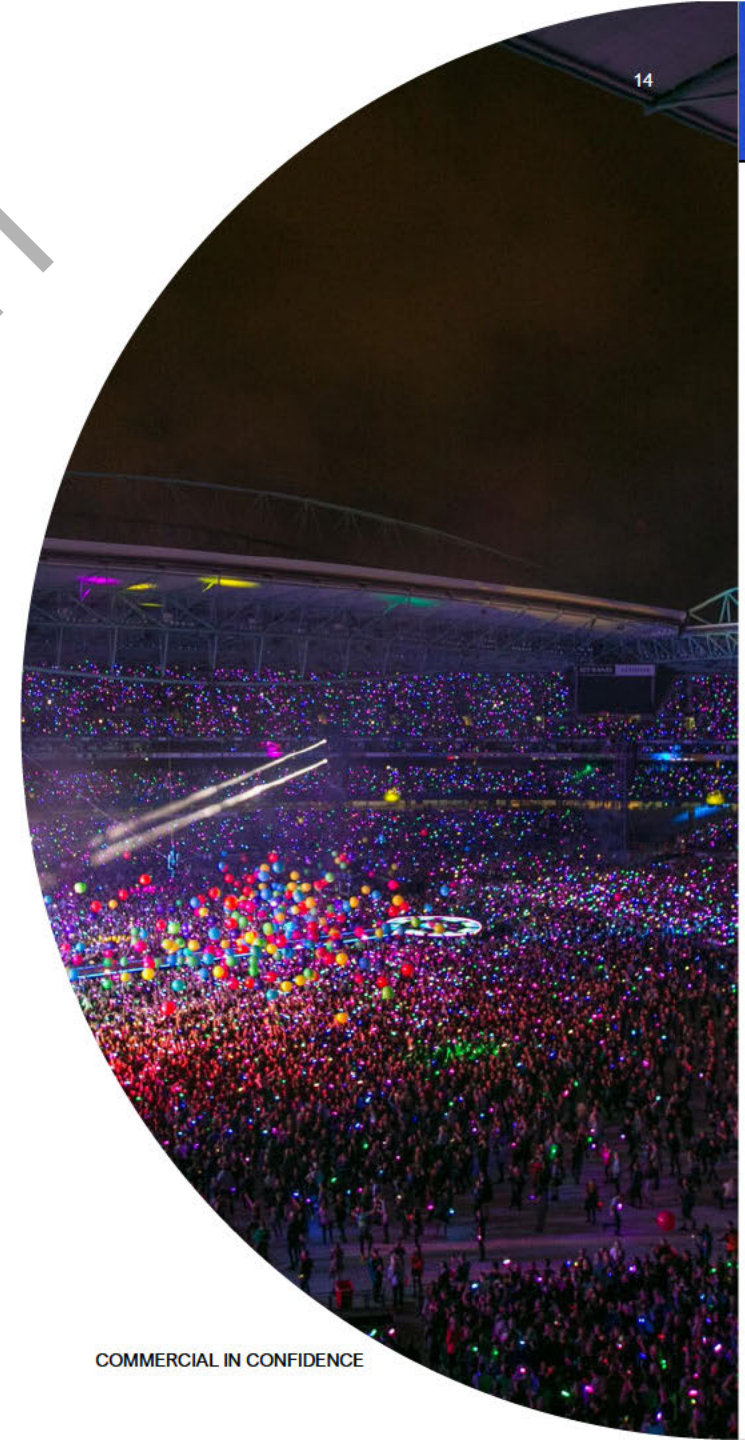
- Test matches (i.e. Ashes)
- Men's ODI / T20
- Women's ODI / T20
- BBL and WBBL

### Entertainment

- Tier 1 concerts (i.e. international acts such as Guns n Roses)
- Tier 1 minus / arena concerts (i.e. international acts such as The Killers or Australian acts like Midnight Oil)
- Ad-hoc sport events such as Football Internationals (i.e. Crystal Palace v Leeds), Boxing, WWE, UFC, College Football, Motocross, Supercross).

### Existing Tasmanian Events

- Dark Mofo / Mona Foma
- Local events (i.e. Targa, Festival of Voices, Australian Wooden Boat Festival)
- Mass Participation events (i.e. Australian Masters Games, International Transplant Games, Special Olympics)



## Potential Stadium Content

### Additional World Cup content

In addition to the annual content, there is also one off World Cup content that could potentially be hosted by the Stadium.

Australia is currently embarking on the Green and Gold decade (2022 – 2032), where it will host a number of major World Cups such as the ICC T20 World Cup, FIBA Women’s World Cup, FIFA Women’s World Cup, Men’s and Women’s Rugby World Cups in 2027 and 2029 and of course the 2032 Summer Olympic Games in Brisbane.

In additional to the current list of events, it is likely that additional major event content will be acquired in the lead up to 2032.

These events drive significant interstate and international visitation but also come with more rigid venue requirements and significant acquisition fees.

Tasmania has missed out on up and coming World Cup content due to not having a stadium that meets the minimum capacity requirements (i.e. FIFA Women’s World Cup) and other venue specifications, meaning significant additional venue overlay costs is needed outweighing the cash for content offered by the State (i.e. Rugby World Cup 2027).

The new Hobart Stadium therefore needs to ensure that it can compete for content by meeting minimum seating capacity requirements as well as up to date stadium specifications.

Based on an assessment of the minimum venue seating capacity requirements (following slide) and expectations of major World Cups such as the FIFA Football World Cup, Rugby World Cup, Asian Cup and the ICC Cricket World Cup, there is content that could be hosted by a venue under 30,000 capacity.

The Tier 3 (20,000 – 30,000) and Tier 4 (<20,000) content includes:

- Category C matches for the Men’s Rugby World Cup
- Group matches including the Opening Match for the Men’s ICC Cricket World Cup
- Quarter Finals and Group Matches for the Women’s FIFA World Cup
- Quarter Final and Group Matches for the Men’s Rugby League World Cup
- Semi Final, Quarter Final and Group Match (excl Opening Match) for the Men’s Asian Cup
- Semi Final, Quarter Final and Group Match (incl Opening Match) for the Women’s Rugby World Cup
- Semi Final, Quarter Final and Group Match (incl Opening Match) for the Women’s ICC Cricket World Cup

Australia will host 7 - 8 major events of this specification over 14 years (2015-2029), making it on average one major World Cup every 2 years.



## Minimum Venue Seating Capacity Requirements / Expectations – Major World Cups

	Tier 1 Content				Tier 2 Content			Tier 3	Tier 4 Content		
	80,000+	60,000+	55,000+	50,000+	40,000+	35,000+	30,000+	20,000+	15,000+	10,000+	5,000+
Men's FIFA WC	Final OM	SF			Bronze QF Rd16/32 Group				<i>Up to 30,000 capacity</i>		
Men's Rugby WC		Final SF OM			Bronze QF Cat A		Cat B	Cat C			
Men's ICC WC				Final	SF		QF	OM	Cat A Cat B	Cat C	
Women's FIFA WC			Final OM			SF		QF Group			
Men's Asian Cup					Final OM			SF QF Group			
Men's Rugby League WC					Final		OM SF	QF Group			
Women's Rugby WC							Final		SF QF Group		
Women's ICC WC							Final		SF QF OM		Group

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## Key Content Assumptions

- Hobart Stadium is assumed to be operational in 2030 (ideally 2028, however due to current Tasmania infrastructure pipeline and building challenges, 2030 is a more realistic target).
- It is estimated that from 2030, the new Hobart Stadium could host up to 44 events per year should Hobart host 7 regular AFL season matches.
- This could be achieved with an additional acquisition budget of \$5.5 million plus access to the risk pool for music content.
- It is estimated that the stadium could see **587,000 in attendance each year, and 115,700 interstate and overseas visitors each year.**
- When taking into account existing content in Tasmania, the incremental net uplift is 420,000 in attendance and 104,000 interstate and overseas visitors.

Content	Content per year	Estimated Attendance	Estimated Visitation %	Visitors per event
<b><u>AFL</u></b>				
AFL Final Matches (i.e. Dedicated Tasmanian team)	0.25	30,000	35%	10,500
AFL Regular Season Matches (i.e. Dedicated Tasmanian team)	7	20,000	25%	5,000
AFLW Matches (i.e. Dedicated Tasmanian team)	2	5,000	5%	250
<b><u>Football</u></b>				
A-League Matches (i.e. Western United)	3	7,500	10%	750
Tier 2 Socceroos (i.e. vs Qatar) and Tier 1 Matildas (i.e. vs Brazil)	0.25	22,500	30%	6,750
Youth international football (i.e. Olympics U23 qualifiers etc)	0.25	5,000	5%	250
<b><u>Rugby</u></b>				
Tier 2 Wallabies (i.e. vs Fiji, Japan)	0.25	22,500	30%	6,750
Super Rugby Magic Round	0.25	20,000	30%	6,000
Super Rugby Matches (i.e. Me bourne Rebels)	2	7,500	10%	750
<b><u>Cricket</u></b>				
Test Matches (i.e. Ashes)	0.125	67,500	15%	10,125
Men's ODI / IT20	0.5	17,500	30%	5,250
Women's ODI / IT20	0.5	7,500	10%	750
BBL (i.e. Hobart Hurricanes)	4	10,000	15%	1,500
WBBL (i.e. Hobart Hurricanes)	4	5,000	5%	250
<b><u>Entertainment</u></b>				
Tier 1 concerts (Internationals)	3	30,000	5%	1,500
Tier 1 minus concerts (Internationals or popular Australian)	5	15,000	2.50%	375
Ad-hoc sport (i.e. UFC, Football Internationals, Boxing, College Football, Supercross, Motocross)	3	22,500	50%	11,250
<b><u>Existing Tasmanian Events</u></b>				
Dark Mofo / Mona Foma	2	7,500	25%	1,875
Local events (i.e. Targa, Festival of Voices, Aust Wooden Boat Festival)	3	5,000	2.50%	125
Mass Participation events (i.e. Australian Masters Games, International Transplant Games, Special Olympics)	0.25	15,000	50%	7,500
<b><u>Business Events</u></b>				
Business Events (>1,500 ppl)	2	2,500	50%	1,250
<b><u>World Cup Content</u></b>				
Tier 3 Content	0.5	27,500	40%	11,000
Tier 4 Content	0.5	17,500	40%	7,000
<b>Weighted Total / Annual Average</b>	<b>43.625</b>	<b>587,188</b>		<b>115,700</b>

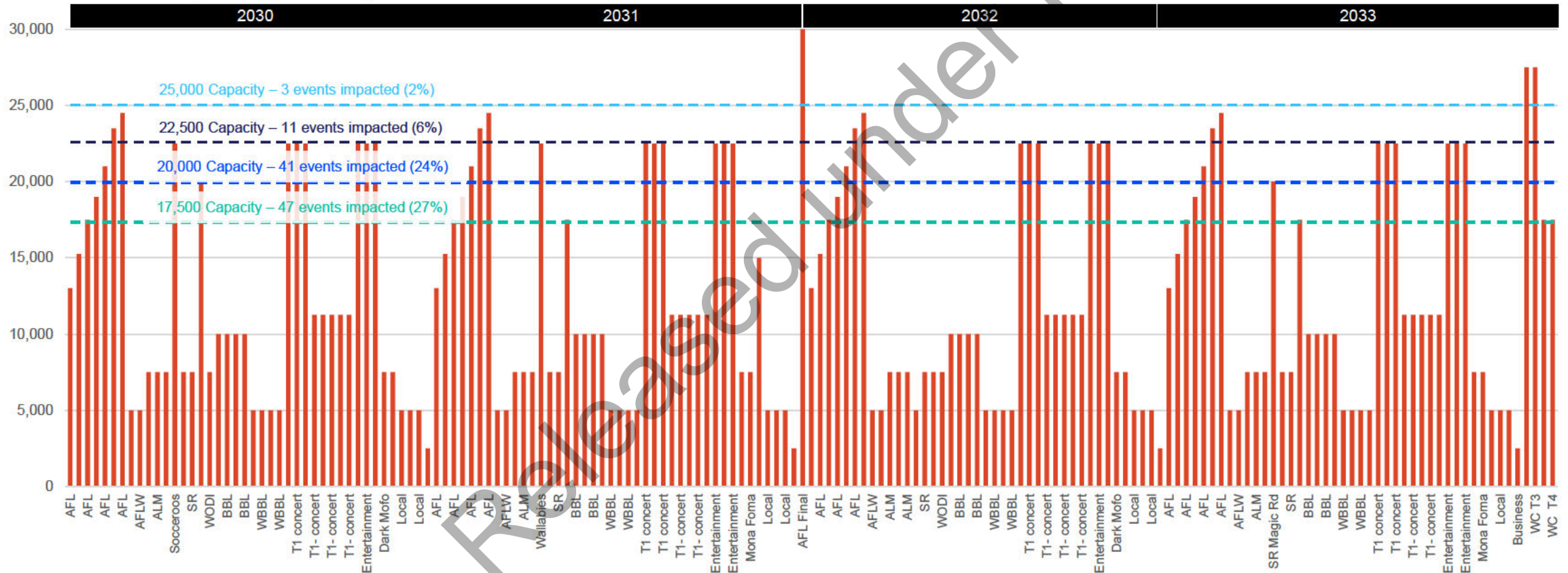
s37



# Impact of Stadium Capacity

Estimated attendances by content (2030 – 2033)

Total 171 events across 4 years



**Notes:**  
 Based on 7 AFL matches at Hobart Stadium  
 Concert attendance has been down weighted to match stadium capacity (e.g. 20,000 seat stadium can be attended by 25,000 due to the use of the field of play)

S39

## Event Yield Projection

Yield per event enables a better understanding of the benefits delivered by acquired content and is used to compare to the costs to develop Hobart Stadium.

Based on a historical range of event yield provided by Events Tasmania (i.e. \$777 and \$1,146 per visitor), each event has been allocated an appropriate yield per visitor based on the event profile (i.e. likely demographics).

AFL content has been attributed a projected yield per visitor of \$900 (rounded from historic AFL actuals of \$894).

International major events have been attributed a projected yield per visitor of \$1,150 (rounded up from historic world cup content – 2015 Cricket World Cup and 2003 Rugby World Cup).

Domestic events have been attributed a projected yield per visitor of \$775 (rounded up from historic BBL content).

Note: The yield per event is based on no capacity restrictions (i.e. An AFL Final is played in a 30,000-seat stadium).

Content	Description	Projected Attendance	% Visitation	Projected Visitation	Projected yield per visitor	Yield per event
AFL	AFL Final	30,000	35%	10,500	\$900	\$9,450,000
Entertainment	Tier 1 Content	30,000	5%	1,500	\$900	\$1,350,000
WC Content	Tier 3 Content	27,500	40%	11,000	\$1,150	\$12,650,000
AFL	vs Marquee Me bourne side	24,000	35%	8,400	\$900	\$7,560,000
Entertainment	Adhoc Sport Event	22,500	50%	11,250	\$1,150	\$12,937,500
Football	Socceroos Tier 2 / Matildas Tier 1	22,500	30%	6,750	\$1,150	\$7,762,500
Rugby	Wallabies Tier 2 Content	22,500	30%	6,750	\$1,150	\$7,762,500
AFL	vs Average Melbourne side	20,000	30%	6,000	\$900	\$5,400,000
Rugby	Super Rugby Magic Round	20,000	30%	6,000	\$1,150	\$6,900,000
Cricket	Test Match (20,000 max per day)	67,500	15%	10,125	\$1,150	\$11,643,750
WC Content	Tier 4 Content	17,500	40%	7,000	\$1,150	\$8,050,000
Cricket	Men's ODI / IT20	17,500	30%	5,250	\$1,150	\$6,037,500
AFL	vs Non Me bourne side	15,500	15%	2,325	\$900	\$2,092,500
Existing Events	Mass Participation event	15,000	50%	7,500	\$1,150	\$8,625,000
Entertainment	Tier 1 minus Content	15,000	3%	450	\$900	\$405,000
Cricket	BBL Content	10,000	15%	1,500	\$900	\$1,350,000
Rugby	Melbourne Rebels Content	7,500	10%	750	\$775	\$581,250
Football	Western United Content	7,500	10%	750	\$775	\$581,250
Existing Events	Dark Mofo / Mona Foma	7,500	25%	1,875	\$1,150	\$2,156,250
Cricket	Women's ODI / IT20	7,500	5%	375	\$775	\$290,625
Football	Youth Internationals	5,000	5%	250	\$775	\$193,750
AFL	AFLW Content	5,000	5%	250	\$775	\$193,750
Cricket	WBBL Content	5,000	5%	250	\$775	\$193,750
Existing Events	Local Events	5,000	3%	125	\$775	\$96,875
Business Event	Business Events	2,500	50%	1,250	\$1,150	\$1,437,500

Note: Based on a 7 match AFL season playing 2 x marquee Melbourne sides, 2 x average Melbourne sides and 3 x non-Melbourne sides – the average AFL attendance is 19,200 with 5,100 interstate visitors (26.5% visitation) per match

# Optimisation Analysis

## Overview

Optimisation analysis has been undertaken to understand the optimal seating capacity for developing Hobart Stadium. The optimisation analysis assesses the net benefits (i.e. yield – the new money spent in Tasmania as a result of visitation to the event) new content generates against overall costs.

The analysis has been undertaken over 20 years (2023 to 2042). Benefits (i.e. event yield) and costs are expressed in monetary terms and are adjusted for the time value of money over the evaluation period and are expressed in terms of their present value (AUD\$ 2022).

A discount rate of 7% (as per Tasmania Treasury Guidelines) has been used to determine the present value of costs and benefits over time.

A favourable capacity of the development is when the present value of net benefits (i.e. net new events) exceeds the present value of net costs (i.e. construction costs, content acquisition fees and Tasmanian Government contribution to AFL).

The optimal capacity is the capacity that returns the largest positive differential of present-day benefits and present-day costs.

## Impact of different capacities

Should an event expect to see higher demand compared to the capacity, for the purposes of the analysis, the attendance is therefore down weighted to the capacity.

For example, should Hobart Stadium host an AFL Final, it has the potential demand of up to 30,000 in attendance. However, if the capacity is 20,000, then the attendance will be 20,000 ensuring there are less visitors and smaller event yield (i.e. benefits).

For World Cup content and based on the minimum capacity requirements, should the capacity be below 25,000 this will impact the Stadium's ability to host Tier 3 content (i.e. 20,000 plus attendances), and only placing it in a position to host Tier 4 content with attendances of less than 20,000, greatly impacting visitation and event yield.

Of the 171 estimated events that could be hosted across a 4 year period (page 18), the following impact will be seen at the following capacities:

- 17,500 Capacity – 47 events impacted (27% of events)
- 20,000 Capacity – 41 events impacted (23% of events)
- 22,500 Capacity – 11 events impacted (6% of events)
- 25,000 Capacity – 3 events impacted (2% of events)
- 30,000 Capacity – 0 events impacted (0% of events)



# Optimisation Analysis

## Findings

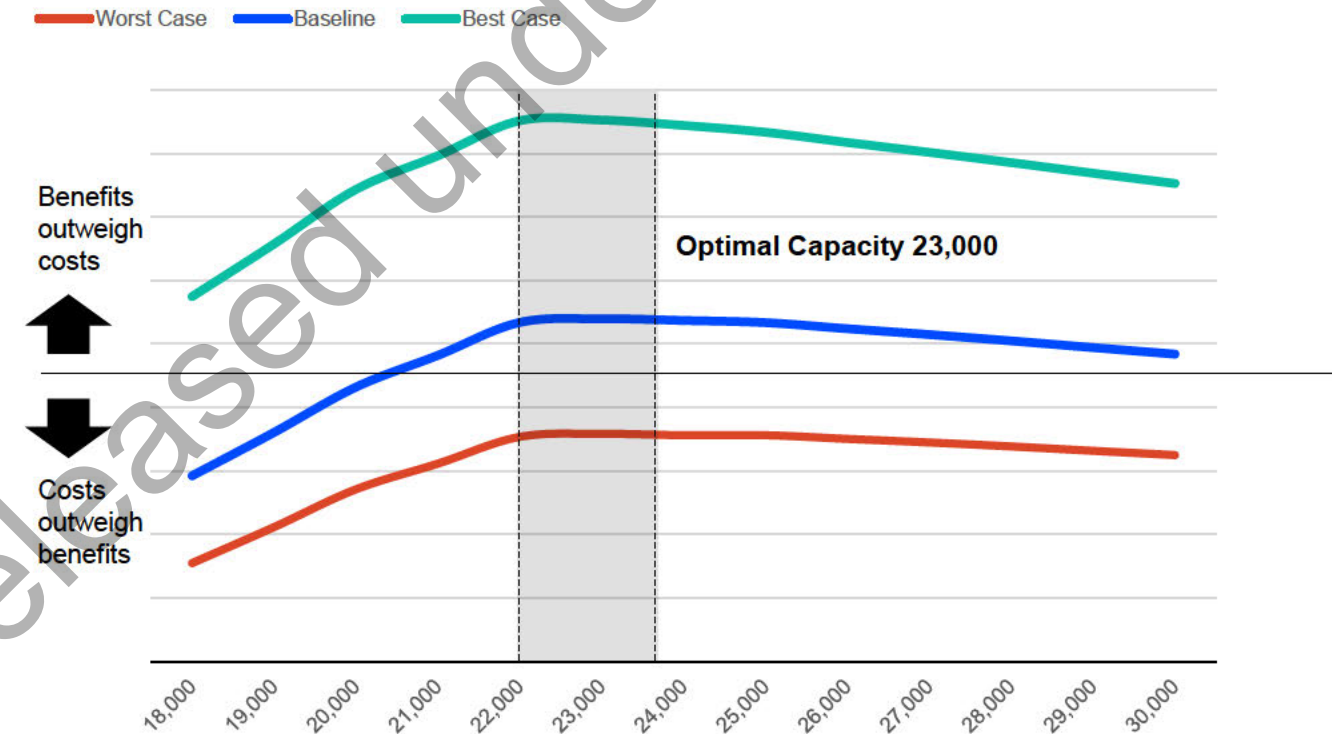
All nine (9) scenarios demonstrated the same hill shaped curve, with the benefits outweighing costs at an increasing rate from 18,000 to 22,000 capacity before plateauing and then falling when the capacity increases above 24,000.

This is a result of the number of events impacted by the capacity falling from 23% at a 20,000 seat capacity to only 6% of events impacted at a 22,500 seat capacity.

It also shows that increasing from 22,500 to 25,000 capacity will see only 8 events over 4 years (2 marquee AFL matches a year – i.e. vs Collingwood or Richmond that could achieve 23,500 - 24,500 in attendance) no longer restricted, however the additional construction costs (~\$30M) of at 25,000 seat stadium compared to a 22,500 seat stadium outweighs the benefit of maximising the attendances and visitation for these matches.

It should be noted that developing the stadium capacity below 20,000 will return a negative result for Tasmania (i.e. costs of the stadium build at the mid cost scenario outweighing the benefits of hosting 44 (28 new) events per year).

Optimisation Analysis – Benefits relative to costs





# Thank you

Principal

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## About MI Global Partners

Over the last 20 years, MIGP has been leading and partnering to deliver the world's best events, sports and place projects.

Our experience has given us the insights and unique capacity to understand the full project lifecycle - from Inception to Celebration.

We are major event specialists. We have been involved in every Summer Olympic Games since Sydney 2000 and every Rugby World Cup since 2003. Our event services include event strategy, feasibility, bidding, operational delivery and post-event evaluation.

Sport is our passion. We have assisted major sporting codes around the globe with the development of strategic projects from competition expansion and facilities planning to growth, community impact, policy development and governance.

Place is at the heart of what we do. We have created and delivered iconic place projects across Sport, Arts and Culture. Our skills include strategy, feasibility, business case development, project delivery support and post project evaluation.

As a business we strive to shape and advance the world of event, sport and place delivery. We are committed to doing what it takes to deliver the very best for our clients and their project outcomes for today and into the future.