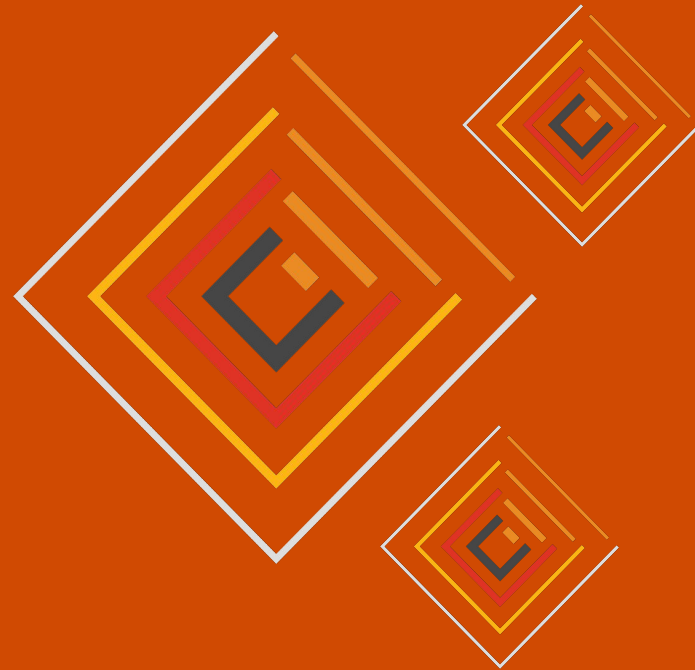


Macquarie Point

Estimating the economic contribution of commercial uses at the new arts, entertainment and sports precinct

November 2022



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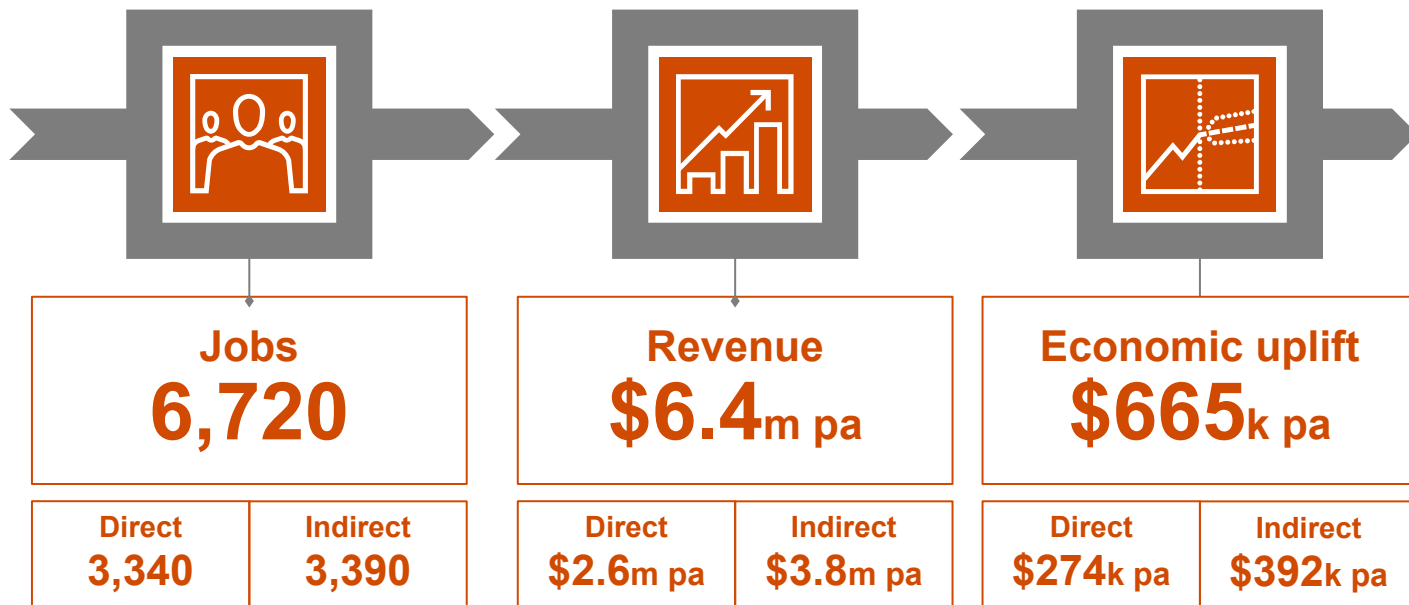
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Executive summary

The land surrounding the site earmarked for a new stadium at Macquarie Point in Hobart has the potential to support up to 6,720 jobs, corresponding to \$6.4m in revenue and \$665k in economic uplift per year



Economic uplift from commercial uses



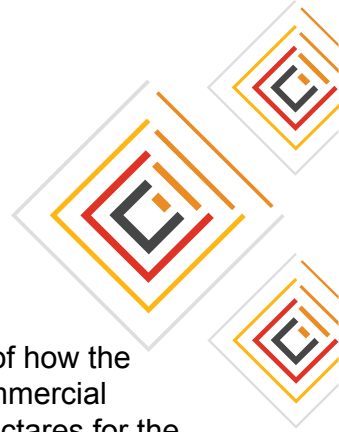
Assumed total land area of 3.0 hectares allocated to commercial uses
 This analysis assumes that the height of the developments on the Macquarie Point precinct site will be equal to or lower than the height of the stadium.
 Dollar values in this report are real \$2023 figures.

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This analysis estimates the uplift that could be generated by the commercial land in the Macquarie Point precinct



Background

The Tasmanian Government is exploring an investment in a new 23,000 person capacity tier 2 stadium at Macquarie Point, in Hobart's CBD, to support their pursuit of a 19th AFL license.

The stadium would be the catalyst for a new arts, entertainment and sports precinct. The land surrounding the stadium would deliver world-class commercial offerings, including retail stores, restaurants, cafes, hotels, office spaces, as well as social and recreational space. Critically, the precinct would integrate with Hobart CBD and provide services around the clock, not just during events.

Scope of work

PricewaterhouseCoopers Consulting (Australia) Pty Limited (PwC) was engaged by the Department of State Growth Tasmania to estimate the economic uplift that could be generated by the land that surrounds the new stadium in the Macquarie Point arts, entertainment and sports precinct.

Approach

This report provides indicative estimates of the direct and indirect uplift to jobs, revenue and gross state product generated each year by the operation and use of the commercial land that surrounds the stadium.

The Department of State Growth Tasmania provided a preliminary indication of how the 3.0 hectares of land for commercial purposes will be allocated to different commercial offerings, which forms the basis for our analysis. The site also includes 5.6 hectares for the Stadium - the analysis in this report does not capture impacts relating to the Stadium itself.

Jobs, revenue and economic growth were estimated by:

- converting the 3.0 hectares of gross site area to gross floor area
- estimating the number of employees required per gross floor area
- using input-output modelling to estimate the economic growth uplift
- converting economic growth to infer revenue using the profit margin of relevant Australian industries.

This findings presented in this report are indicative at this stage. More robust estimates can be developed once the allocation of the land surrounding the stadium has been determined.

Key considerations

Quantitative estimates are gross numbers - The analysis is not a competitive analysis so it does not capture that the development of the precinct may draw resources from pre-existing economic activity.

Self-sustaining precinct - This analysis assumes that all stores and businesses remain open in the absence of events at Hobart stadium.






Office utilisation - The method assumes offices spaces are utilised at pre-pandemic levels. The figure is not necessarily indicative of the number of office-workers within the precinct on a given day.

Transport layover - Note that 0.7 hectares of the precinct site is allocated to a transport layover, which is not captured in the 3.0 hectares allocated to commercial uses.

Non-commercial uses - This analysis assumes that 25 per cent of the 3.0 hectares allocated to commercial uses is for cultural and community spaces or walkways that are assumed not to generate jobs.

The area surrounding the stadium could be allocated to a range of commercial uses

Of the 9.27 hectares of land at Macquarie Point allocated for the development of Hobart stadium, it is assumed that 3.0 hectares will be allocated for the following commercial uses

	Land use	Gross site area (GSA)	Gross floor area (GFA)	
1	Office space	4,500m ²	36,000m ²	
2	Retail	6,000m ²	6,000m ²	
3	Education	4,500m ²	9,000m ²	
4	Hotel	6,000m ²	60,000m ²	
5	Health	1,500m ²	3,000m ²	

Source: Tasmanian State Government

This analysis assumes that the height of the developments on the Macquarie Point precinct site will be equal to or lower than the height of the stadium (37m)

This analysis assumes that 25 per cent of the 3.0 hectares allocated to commercial uses is for cultural and community spaces or walkways that are assumed not to generate jobs

Estimating the economic contribution of commercial uses at the new arts, entertainment and sports precinct

PwC

Figure: Macquarie Point Bird's Eye View

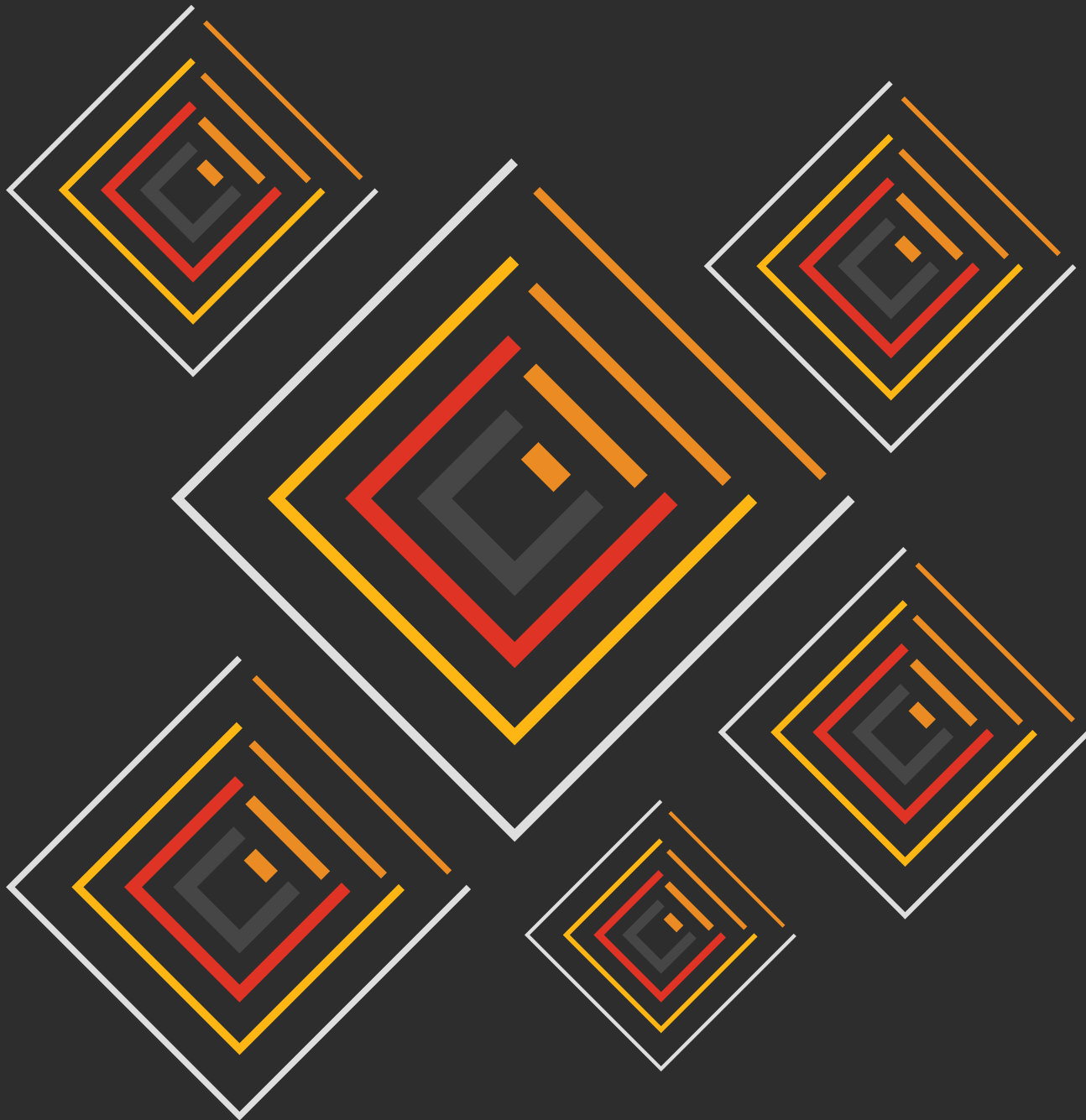


Source: Tasmanian State Government

The commercial area at Macquarie Point could support 6,720 jobs and \$665k in economic uplift annually



	Jobs		Revenue		Economic contribution	
	Direct / Indirect	Total	Direct / Indirect	Total	Direct / Indirect	Total
1 Office space	2,400 2,440	4,840	\$1,574,000 \$2,255,000	\$3,829,000	\$197,000 \$282,000	\$479,000
2 Retail	170 170	350	\$308,000 \$442,000	\$750,000	\$14,000 \$20,000	\$34,000
3 Education	90 90	180	\$119,000 \$170,000	\$290,000	\$7,000 \$11,000	\$18,000
4 Hotel	600 610	1,210	\$572,000 \$819,000	\$1,391,000	\$49,000 \$70,000	\$120,000
5 Health	80 80	150	\$56,000 \$81,000	\$137,000	\$6,000 \$9,000	\$15,000
		6,720		\$6,397,000		\$665,000



Appendix A

Method

Economic uplift has been estimated using input-output modelling



1. Estimating the allocation of commercial land to various uses

The Department of State Growth Tasmania provided a preliminary indication of how the 3.0 hectares of land for commercial purposes will be allocated to different commercial offerings. This is summarised on slide 6.

2. Converting the 3.0 hectares of gross site area to gross floor area

GFA was determined by multiplying GSA by the assumed number of storeys each allocation would have (summarised in the table below), acknowledging that the height of any given structure could not exceed the expected height of the stadium (37m), and that the average height of a storey is 3.3m.¹

Commercial use	Assumed number of storeys
Office (Well located)	8
Retail	1
Education	2
Hotel	10
Health	2

3. Estimating the number of employees required per gross floor area

The number of employees per square metre was estimated by applying the assumed floor area required per employees in each to the GFA allocated.

Commercial use	Floor area per employee (m ²)
Office (Well located)	15
Retail	35
Education	100
Hotel	100
Health	40

4. Input-output modelling to estimate the economic growth uplift

Job estimates were converted to economic output by multiplying job estimates by the input-output multipliers for *Commercial & Retail - Employment*:

- Direct: 107.1
- Indirect - Industrial: 69.3
- Indirect - Consumption: 84.1.²

5. Converting economic growth to infer revenue

Revenue was inferred using the profit margins of corresponding Australian industries,³ which are shown in the table below.

Commercial use	Profit margin
Office (Well located)	12.5%
Retail	4.6%
Education	6.2%
Hotel	8.6%
Health	10.9%

¹ Average height of a storey, PwC Source

² ABS, Australian National Accounts: Input-Output Tables, 2019-20 financial year

³ IBIS World (2022), [Australia Industry Reports \(ANZSIC\)](#)

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