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FUTURE DIRECTION PLAN **YORK PARK (UTAS STADIUM)**

2021



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FUTURE DIRECTION PLAN
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Executive Summary

The purpose of this Future Directions Plan is to analyse the challenges, risks and opportunities that exist for York Park (UTAS Stadium) and to make recommendations on the future directions which will enable the stadium to continue acting as a major social and economic driver for Launceston, the greater northern region and the State.

Stadiums throughout Australia and the world are continuing to be developed to provide cities and regions with drivers for attracting major events and for providing social and economic benefits to their communities. In Australia new stadiums have been built in Perth, Townsville and Parramatta. Upgrades to existing stadiums have either commenced construction or are being planned in Sydney, Melbourne and Brisbane. Smaller capital cities and territories such as Hobart, Canberra and Darwin and regional cities such as Newcastle, Canberra, Geelong, Ballarat and Launceston are having to compete with increased fan expectations, an increased security environment and the higher standards and expectations required to attract and retain major events. This trickle-down effect is serving to create a challenging environment for regional venues and is being experienced by the City of Launceston (CoL) as owners and managers of UTAS Stadium.

UTAS stadium is a significant asset for Tasmania, and Northern Tasmania in particular. In 2019, major events at the stadium attracted 83,234 patrons including 63,464 AFL/AFLW and 21,770 Big Bash League (BBL) patrons delivering over \$30m into the Northern economy in visitor spending. Accordingly, the stadium is making a large contribution to Northern Tasmania by attracting high level sporting events and driving visitation and tourism which is assisting businesses within the region.

However, the Stadium is approaching a pivotal period for its future as a number of factors are converging to cause the Council to reflect and review the future ownership and governance structures of the stadium, together with its future development needs. Substantial future capital investment is required for the stadium's facilities and assets, which is being driven by factors such as increasing compliance requirements, increasing user expectations as well as community sport and recreation needs.

The York Park Master Plan ('The Masterplan'), which was developed in 2016, identified that for the venue to remain contemporary and for existing standards to be maintained and enhanced, specific stadium development opportunities (i.e. improvements to stadium infrastructure, amenity, concession and concourse and oval redevelopment) are a fundamental requirement. This was reinforced by the recent AFL Licence Taskforce Business Plan, which identified that by 2025 the standard of the stadium would need to be upgraded merely to maintain required standards

let alone drive demand by providing amenities that not just allow access to the match but generate valuable ancillary revenues.

The Masterplan identified that the stadium must provide high-performance training, administration and education and research facilities to support high-performance athletes, development athletes and academy teams, with a primary focus on Australian Rules football. It further identified that the stadium needs to provide facilities that can be utilised by the community to support community programs and also that it must provide commercial infrastructure, which will increase activation and commercialisation.

In addition to the Masterplan recommendations, the 2018 Northern Tasmanian Sporting Facilities Study, completed by SGS Economics, identified that the Northern region has a substantial shortfall in the capacity of its indoor stadiums. The three existing regional indoor stadiums - Elphin, Silverdome and YMCA - are not capable of meeting the community demand and there is a pressing need to increase the capacity of regional indoor stadiums to cater for community sporting needs.

The UTAS Stadium site offers a central location which is connected with the city centre and which is well catered for in terms of services such as car parking, cycling, walkway and footpath access. The co-location of an indoor entertainment and sporting facility with UTAS Stadium would address many of the strategic objectives identified in The Masterplan and its immediate needs identified in the Northern Tasmanian Sporting Facilities Study, whilst further enhancing its role as an important part of Launceston's social fabric. Additionally, such a facility will be critical in undertaking high performance activities that are associated with a Tasmanian AFL licence and its franchise teams.

In exploring how these needs can be realised within the stadium, the Council has identified an option to redevelop the Southern Terrace and a section of the Western Stand to increase the seating capacity of the stadium and provide a new indoor facility on the Old Bike Track site, which adjoins the stadium. It is considered that this type of facility would provide the stadium with community and commercial opportunities with frontage to Invermay Road. This would serve to address the Masterplan requirement to increase the activation and commercialisation of the venue.

Another factor in the future directions for the stadium is the AFL Licence Taskforce Business Plan, which was developed in 2019. This business plan presents a well-researched, reasoned and credible way forward for the State to pursue a Tasmanian AFL licence, which would introduce an AFL, AFLW and Next Generation Academy program into the State.

According to this Business Plan, "... Launceston has greater opportunity to provide an upgraded stadium to meet anticipated demand for 'blockbuster' matches. Current AFL scheduling, unlike the present content arrangements, would see the larger crowd (local and interstate) attracting clubs such as Collingwood and Richmond playing in the State every second year, in Launceston...". It further states that, "...While acknowledging a separate investigation is required - that economically UTAS Stadium may be best placed for upgrade, including its seating capacity to host the major drawing interstate clubs and their supporters."

As a minimum, a Tasmanian team will require access to high-performance and other training facilities and an AFL-standard stadium (or stadia) capable of meeting anticipated and budgeted demand. Under the model proposed to support an AFL licence, facilities for playing, training, recovery and administration must be upgraded in both Launceston and Hobart as part of the unified 'north-south' model. This will deliver improved spectator and participant options, and is consistent with the Masterplan future direction to provide improved administration, community and high-performance facilities at UTAS Stadium.

The Business Plan is proposing that the upgrade of the ground and training infrastructure would need to occur in 2023 in readiness for home games in 2024/25. Clearly therefore it is important that the preliminary investigations and decision-making around the redevelopment of UTAS Stadium commence as soon as a decision to proceed with an AFL licence occurs.

In 2019, the Council engaged KPMG to conduct a review of the existing ownership structure of UTAS Stadium and investigate suitable options for ownership and management of the Stadium along with the potential requirements and implications of establishing an alternative governance model for the stadium. The key finding made by KPMG is that "... The stadium is currently a net financial burden on the Council and Council is not in a position to be able to make significant capital upgrades to the venue, particularly if Tasmania is successful in securing a permanent AFL license." The research conducted by KPMG suggests there are more appropriate alternative ownership models for the stadium, including ownership by State Government in a standalone Statutory Authority or Trust.

It is the Council's preference that UTAS Stadium is

transferred to the Tasmanian Government through the creation of a Stadiums Trust. Such a transfer would include the stadium itself, Invermay Park, the balance of the Old Bike Track site, all assets associated with the maintenance and operation of the facilities/land as well as the existing employees.

It is the view of the Council that the establishment of a trust would:

1. enable the stadium to act commercially, being more responsive and flexible in decision-making than a traditional local government department;
2. provide the ability to operate with independence;
3. recognise that the management of major sports venues is highly specialised and distinct from the traditional roles of government and departments;
4. reduce the Council's and State Government's exposure to the risks involved in the management of major sports facilities, including financial and legal risks; and
5. provide a vehicle for delivering a state-wide stadia strategy.

As part of the establishment of a trust, the Council would complete an asset condition assessment so that there is a complete understanding of the future maintenance needs of the Stadium in addition to the future development needs.

The AFL License Taskforce Business Plan recommends that a State stadia strategy and review should be undertaken to both validate its assessment of stadium demand and to consider the wider State value in attracting and retaining existing events, conferences and other national sporting franchises or leagues to Tasmania, and their subsequent contribution to Gross State Product and returns to the football club. The establishment of a Trust for UTAS Stadium would provide an opportunity to establish an entity in the first instance to demonstrate the proof of concept and this organisation could then be expanded over time if the State stadia strategy determines to pursue a state-wide trust model for the venues. For instance, if a trust model was established similar to the Kardinia Park model in Geelong, it could be expanded for other Launceston venues into the future such as the Silverdome and Elphin Sports Centre and other major stadiums such as the Bellerive oval (Blundstone Arena) in Clarence.

Therefore, the key recommendations of the Future Direction Plan are as follows:

1. That the Council endorses the Future Direction Plan - York Park (UTAS Stadium) 2021.
2. That the Council develop a Strategic Development Plan for UTAS Stadium, which details all required future capital works and investment required for the facility and which is consistent with the York Park Masterplan and the York Park Future Direction Plan to increase UTAS Stadium seating capacity to 27,500.
3. That the Council work with the State Government to complete a business case for the development of a new community-based indoor entertainment and sporting facility on the Old Bike Track site, together with the redevelopment of the Southern Terrace and a section of the Western Stand. The indoor facility will provide:
 - (at least) three (3) courts to enable as broad a range of uses as possible;
 - a show court which would include retractable seating and social facilities to accommodate higher level basketball, netball and other sporting events and concerts accommodating up to 5000 people;
 - include indoor training and recovery spaces, which would be utilised across a range of ages for athletes from AFL, basketball, cricket (etc) and which would be capable of accommodating local clubs and athletes through the professional sporting clubs and athletes such as AFL clubs, NBL clubs, Cricket Tasmania, NBL1 clubs, TSL clubs (etc.);
 - functional and flexible space for social, cultural and educational initiatives and programs; and
 - improved infrastructure that integrates with the immediate Inveresk precinct and increases activation and commercialisation of the venue with commercial opportunities utilising the frontage to Invermay Road. Typically this could be associated and complimentary to the precinct activities such as allied health, research and training - all of which would a dual role of servicing the broader greater Launceston Region.
4. Lobby both the State and Federal governments to include the plan as a City Deal project along with the necessary funding.

5. That the Council engage with the State Government to transfer the ownership of the York Park Stadium* for \$1.00 through the creation of a Stadiums Trust. (*including the stadium itself, Invermay Park, the balance of the Old Bike Track site, all assets associated with the maintenance and operation of the facilities/land as well as the existing employees);

6. That the Council actively work with the State Government in the proposed development of a State Stadia Strategy

7. If recommendations 1 to 6 are successfully delivered, work with the State Government to deliver the redevelopment of UTAS Stadium as outlined in the Future Directions Plan - York Park (UTAS Stadium) 2021.



Introduction

Stadiums throughout Australia and the world are continuing to be developed to provide cities and regions with drivers for attracting major events and for providing social and economic benefits to their communities. In particular, the major stadium builds surrounding Olympic and Commonwealth Games, World Cups and World Championships as well as the growth of the major sporting codes of each country has been the formula for developing new and upgrading existing stadium facilities over many years.

A current example, the FIFA Women's World Cup 2023 is an event that could catalyse the redevelopment of stadiums across Australia.

This has been demonstrated most recently in Australia with new stadiums being constructed in Perth, Townsville and Parramatta along with upgrades to major stadiums in Sydney, Melbourne and Brisbane which have either occurred, are about to occur or are being planned. Smaller capital cities and territories such as Hobart, Canberra and Darwin and Regional Cities such as Newcastle, Canberra, Geelong, Ballarat and Launceston are having to compete with increased fan expectations, an increased security environment and the higher standards and expectations required to attract and retain major events, which is serving to create a challenging operating environment.

This challenging environment is being experienced by the City of Launceston (CoL), which owns and operates York Park (referred to as UTAS Stadium due to naming rights sponsorship), a nationally accredited sporting stadium which hosts sporting, entertainment and private events up to a capacity of 20,000 people. In 2019, major events at the stadium attracted 85,234 patrons including 63,464 AFL/AFLW and 21,770 BBL patrons which delivered over \$30m to the Northern economy. Accordingly, the stadium is making a large contribution to Northern Tasmania by attracting high level sporting events and driving visitation and tourism which is assisting businesses within the region.

UTAS Stadium is classified in Australia as a Tier 2 Stadium, which include stadiums which:

- Have a capacity of between 20,000-40,000;
- Provide some corporate facilities; and
- Act as a home ground for a sporting franchise playing in a national sporting championship.

The CoL currently provides approximately \$5.4m annually to operate York Park, which comprises labour (\$0.85m); materials and services (\$3.0m); depreciation (\$1.34m) and full-cost attribution (\$0.015m). After stadium revenue is taken into account, the annual net cost to the Council is \$3.6m.

The Stadium is approaching a pivotal period for its future as a number of factors are converging to cause the Council to reflect and review the future ownership and governance structures together with its future development needs.

With an annual budget of around \$112m, it is becoming increasingly challenging for the CoL to own and maintain a Tier 2 Stadium. This challenge is further exacerbated by having to fund the stadium's omnipresent development needs. These development needs include general upgrades to maintain the stadium as fit-for-purpose for continued use, new and upgraded infrastructure to address community needs and demand, and more recently the State Government's push to introduce a Tasmanian AFL side. If it is progressed, the AFL License Taskforce Business Plan 2019 will have significant implications for the future development of the stadium with a planned increase of seating capacity to 27,500 people. That said however, even if a Tasmanian AFL team does not eventuate, the Council values its relationship with the Hawthorn Football Club and it would be intended that this relationship would continue into the future. This eventuality, together with the increase in Big Bash cricket games hosted at the stadium, would continue to pose the financial challenge in maintaining and further developing a fit-for-purpose Tier 2 Stadium.

Throughout its history, upgrades to the stadium have been financed by the three tiers of government, with event attraction investment largely being provided by the Tasmanian Government with support from the City of Launceston. Venue management, venue maintenance and all operational and depreciation costs have been funded by the City of Launceston alone. The burgeoning weight of this model on the City of Launceston has led the Council to question the sustainability of the current approach and investigate whether there is a more sustainable operating model that is more appropriate for an asset such as UTAS Stadium.

The Council has already identified that it is not appropriate to continue operating a Tier 2 Stadium in the current department-based operational model within a local government entity. The management of UTAS Stadium currently sits with the Business Enterprises Team within the Council structure and includes 7 FTEs as well as numerous casuals on an as needs basis. The current approach hinders the stadium's ability to act commercially and be responsive and flexible in decision-making. It does not enable an ability to operate with independence and fails to recognise that the management of major sports venues is highly specialised and distinct from the traditional roles of government and departments.

Accordingly, the purpose of this Future Directions Plan is to analyse the challenges, risks and opportunities which exist for the stadium and make recommendations on the future directions, which will enable it to continue acting as a major community and economic driver for Launceston, the greater Northern region and the State into the future.



Background

UTAS Stadium is situated within the Inveresk Precinct, located just over 1km from the Launceston CBD and is the largest stadium in Tasmania. The stadium is home to the North Launceston Football Club, while the Hawthorn Football Club and AFL Tasmania occupy administration space within the stadium together with CoL staff.

The major stands and facilities (as shown in figure 1) comprise a mixture of match day (approx. 20,000 capacity), administration and training facilities, including:

1. Western Stand (formerly the RACT Stand) – Completed in 2005 and has a capacity of approximately 5000. The stand houses two AFL changerooms, a 250-person function room, corporate suites, coaches boxes, corporate facilities, venue operations room, timekeepers’ room and a production room. The media facilities are used by AFL Tasmania as office space during non-event days;
2. UTAS Function Centre – Built in 2004 and consists of change rooms and gym on the ground level, the North Launceston Football Club Social Club on level one and a function room (230-seat capacity) on level two;
3. Carlton Draught Stand – Built in 2010 with a capacity of approximately 2000. Facilities consist of an AFL change room, umpires change room, reception and board room for Hawthorn Football Club, corporate suites and three radio boxes;
4. Northern Terrace – Temporary stand and consists of approximately 2000 seats;
5. RACT Railway Workers Hill – A small uncovered stand that was upgraded in 2010 and consists of General Admission area;
6. Eastern Terrace – Temporary stand and consists of approx. 1700 seats; and
7. Southern Terrace – Temporary stand and consists of approx. 2200 seats.

The CoL took over ownership of the Inveresk Railyard from the Tasmanian Government in 2001. Following the transfer of ownership, the Council combined York Park, Invermay Park, Elizabeth Gardens and the Old Bike Track land to form the Inveresk Precinct.

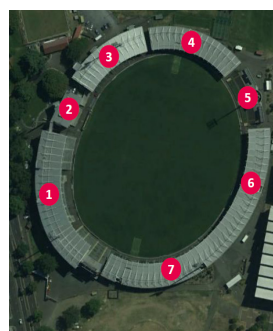


Figure 1 - York Park stands and facilities

The York Park and Inveresk Precinct Authority was then established to manage the precinct. However, this was wound up in 2017 and since that time, the precinct has been managed as a Department of the Council.

In 2016, the Council engaged the Gemba Group ('Gemba') to develop a Masterplan for the future strategic direction of York Park. Gemba is a leading authority in the world of sport and entertainment.

The York Park Masterplan (Appendix 1) sets the future strategic direction for the planning and development of the stadium over the next 11 years. It provides a clear understanding of the opportunities and future development priorities for the venue. The key Stadium development opportunities identified by the Masterplan are as follows:

The Masterplan proposes that the realisation of the development opportunities could be staged over a 15-year period (11 years remaining) to allow for greater funding and operational flexibility as follows:

The Masterplan identifies that the staging could be fast-tracked subject to funding and priorities over time, however, it recommends that the Council pursue an integrated investment model with key stakeholders, specifically with UTAS, Tasmanian

- Stage 1 (0 to 5 years) – The replacement of the Southern Terrace inclusive of the high-performance development, improvements to stadium amenity, concession and Concourse 1 and oval redevelopment;
- Stage 2 (5 to 10 years) – Replacement of the Northern Terrace, upgraded RACT Railway Workers Hill and refurbishment of the Eastern Terrace;
- Stage 3 (10 to 15 years) – Community development including indoor sports facility, 'Sports House' and community recreation amenities.

	Stadium	Community	High Performance	Commercial
Description	Upgraded stadium infrastructure that meets the requirements of sports, assists in the attraction of events and incorporates modern-day facilities for spectators and players.	Facilities that can be utilised by the community and support community programs across social, cultural, education and health initiatives.	High-performance training, admin, education and research facilities to support high-performance athletes, development athletes and academy teams, with a primary focus on Australian Rules Football.	Infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the venue.
Opportunities	<ol style="list-style-type: none"> 1. Improvements to stadium infrastructure 2. Improvements to stadium amenity 3. Oval redevelopment 4. Upgraded broadcast and media facilities for cricket 5. Turf practice wickets 	<ol style="list-style-type: none"> 1. Indoor sports facility 2. Sports House' 3. Community recreation amenities 	<ol style="list-style-type: none"> 1. Sports science education and research facilities 2. High-performance training facility 3. Recovery facilities 4. Class rooms / lecture facilities / media conference room 	<ol style="list-style-type: none"> 1. Commercial health development 2. Café 3. Retail shops

Overview of Recent Stadium Development

The Council continues to work hard to ensure that UTAS Stadium remains fit for purpose for use as a Tier 2 Stadium so that it delivers a high quality experience for all users and spectators that enter.

Since 2008 there has been \$30.62m expended on capital upgrades and maintenance to UTAS stadium of which the Council has contributed \$20.38m. The State and/or Federal Governments have provided around half of this level of expenditure (\$10.24m) over the same period. Accordingly, this history demonstrates that the stadium requires \$2.55m to be spent per year on average in capital maintenance and upgrades. The specific capital renewal and/or upgrade works which have been completed since 2008 are listed in the following table:

Description	Council Cost	External Funds	Total
Minor Capital Equipment	\$ 29,040		\$ 29,040
Coaches Communication	\$ 15,364	\$ 15,364	\$ 30,728
Inveresk Green Precinct	\$ 310,718	\$ 535,000	\$ 845,718
Nthn Stand - Northern Stand Construction	\$ 1,828,253	\$ 5,675,491	\$ 7,503,744
Elizabeth Gardens Workers Commemorative	\$ (2,453)	\$ 36,140	\$ 33,686
YPIPA Minor Acquisitions	\$ 30,425		\$ 30,425
Invermay Park Clubroom Upgrade	\$ 19,456	\$ 350,000	\$ 369,456
Upgrade New Northern Stand	\$ 114,217	\$ 536,227	\$ 650,444
Invermay Park Change rooms		\$ 258,282	\$ 258,281
Corporate Boxes	\$ 101,448		\$ 101,448
Inveresk Precinct Sign	\$ 60,144		\$ 60,144
Stadium Minor Assets	\$ 34,240		\$ 34,240
Northern Stand Services Fit out	\$ 4,046		\$ 4,046
Corporate Boxes	\$ 54,096		\$ 54,096
Drop In Wicket	\$ 186,453		\$ 186,453
New Video Screen	\$ 377,458	\$ 50,000	\$ 427,458
Upgrade Ground Lighting	\$ (77,158)	\$ 957,000	\$ 879,841
Upgrade light pole	\$ 58,942		\$ 58,942
Invermay Park Car Parking and Lighting Upgrade	\$ 938,448	\$ 1,250,000	\$ 2,188,448
Invermay Park Perimeter Fence	\$ 28,940		\$ 28,940
Additional Drop in Wicket	\$ 84,643		\$ 84,643
Additional Drop in Wicket	\$ 66,051		\$ 66,051
Stadium Master Plan	\$ 84,264		\$ 84,264
Inveresk Master Plan	\$ 84,714		\$ 84,714
Function Centre Internal Fitments	\$ 26,580		\$ 26,580
Audio Visual Equipment	\$ 15,000		\$ 15,000
Tram sheds Air Conditioner Replacement	\$ 13,283		\$ 13,283
Electronic Fence Signage and Infrastructure	\$ 491,011	\$ 300,000	\$ 791,011

Description	Council Cost	External Funds	Total
Stadium Broadcast Suite	\$ 38,383		\$ 38,383
Stadium Drop In Cricket Pitch	\$ 66,839		\$ 66,839
Stadium Resurfacing Turf Farm	\$ 6,213,273		\$ 6,213,273
Stadium Gate 1 Redevelopment	\$ 268,609	\$ 200,000	\$ 468,609
PA/Siren Upgrade & UPS Installation	\$ 17,426		\$ 17,426
Invermay Park Sight Screens	\$ 26,464	\$ 6,500	\$ 32,964
Sight Screens	\$ 16,537		\$ 16,537
Cricket Covers	\$ 9,932		\$ 9,932
Broadcast Infrastructure	\$ 156,508		\$ 156,508
Access Control Upgrade	\$ 63,796		\$ 63,796
Turf Practice Wickets	\$ 415,904	\$ 13,500	\$ 429,404
Additional Cricket Sight Screen	\$ 45,285		\$ 45,285
Tram sheds Air Conditioner Replacement	\$ 34,100		\$ 34,100
Hot water high pressure cleaner	\$ 6,063		\$ 6,063
Air Conditioning Unit Renewal/Install	\$ 9,255		\$ 9,255
Invermay Park Change Rooms Upgrade	\$ 67,108	\$ 29,000	\$ 96,108
Minor Capital 07/08	\$ 4,547		\$ 4,547
Railway Workers Hill Upgrade	\$ 375,909		\$ 375,909
Invermay Park Upgrade (Cricket Nets)	\$ 24,430		\$ 24,430
Audio System	\$ 92,639		\$ 92,639
Nthn Stand - Cricket Club Relocation	\$ 354,694	\$ 30,000	\$ 384,694
Capital Maintenance	\$7,101,463		\$7,101,463
TOTALS	\$20,386,803	\$10,242,504	\$30,629,307

Future Development of the Stadium

There is substantial future capital investment required in the Stadium's facilities and assets, which is being driven by factors such as increasing compliance requirements, increasing user expectations as well as community sport and recreation needs. To be successful, the stadium needs to be part of the social fabric of our City and the physical, social and economic connections need to be considered. The fan experience needs to be understood, planned and developed as a vital part of the stadium design and operation. Great sightlines, easy access in and out, food, beverage and hospitality that delights and expresses who we are and unique to the local character, spaces that feel safe and secure whilst retaining the feeling of exhilaration and belonging when thousands of people come together. The importance for entertainment venues and stadiums to be connected culturally and physically to the surrounding

City cannot be understated. The following section of the Future Directions Plan outlines the short, medium and long term development needs of the stadium.

Required works for the Stadium to remain Fit for Purpose

The Masterplan identifies that to ensure the venue remains contemporary and existing standards are maintained and enhanced, specific stadium development opportunities (i.e. improvements to stadium infrastructure, amenity, concession and concourse and oval redevelopment) are a fundamental requirement. This was reinforced by the recent AFL Licence Taskforce Business Plan which identifies that by 2025 the standard of the stadium would need to be upgraded to merely maintain required standards let alone drive demand by providing amenities that not just allow access to the match but generate valuable ancillary revenues.

A main focus of the Masterplan over the next 11 years will be to replace its temporary stands (Northern Terrace, Eastern Terrace and Southern Terrace) and hill with permanent stands. Included in this would be upgraded broadcast and media facilities for cricket (Northern or Southern Terrace, or both). Based on the currently accepted stadium upgrade cost of \$10,000 per seat, an indicative cost for the work to replace these temporary grand stands is \$72m. The new infrastructure, in addition to the existing stands, should incorporate the following:

- Upgraded and new food and beverage facilities;
- Upgraded and new public amenities;
- New hospitality areas offering a variety of product; and
- Improved spectator concourse, circulation and sense of arrival at the venue.

Additionally, the basic infrastructure upgrades which are required to be carried out to maintain the stadium as fit-for-purpose for use as an AFL and first-class cricket facility in the near future are identified in the following table:

Required Infrastructure Upgrade	Estimated Costs
Public address system upgrade	\$500,000
Replacement of 17-year-old Southern Screen	\$500,000
Security fencing stadium surrounds upgrade	\$100,000
Fob entry system	\$100,000
Commercial kitchen and toilets for UTAS Function Room level 1	\$1,000,000
Replacement of Temporary Grand Stands \$72,000,000	\$72,000,000
TOTAL	\$74,200,000

Community/High Performance and Commercial needs and opportunities

The Masterplan has identified that in order for the stadium to remain contemporary into the future it must provide high-performance training, administration, education and research facilities to support high-performance athletes, development athletes and academy teams, with a primary focus on Australian Rules Football. It has further identified that the stadium needs to provide facilities that can be utilised by the community to support community programs as well as commercial infrastructure which will increase the activation and commercialisation of the stadium.

In addition to the Masterplan recommendations, the 2018 Northern Tasmanian Sporting Facilities Study, completed by SGS Economics and Planning, identified that the Northern region has a substantial shortfall in the capacity of its indoor stadiums. The three existing regional indoor stadiums - Elphin Sports Centre, Silverdome and YMCA - are not capable of meeting the community demand and there is a pressing need to increase the capacity of regional indoor stadiums to cater for community sporting needs by providing an additional nine (9) courts in Launceston.

The Elphin Sports Centre was opened in 1964 and currently provides four (4) courts.

The Silverdome was opened some 21 years later in 1985 as the Southern Hemispheres first indoor timber cycling velodrome. This facility has the capacity to host 3-4 courts.

With the existing court capacity, Launceston has a very limited ability to host large-scale sporting events. Comparable cities such as Ballarat and Bendigo own and run newly developed sports complexes which provide in excess of 12 courts. Launceston has not developed a new indoor sporting complex in over 35 years and during this time the demand for indoor recreational uses and pursuits has continued to increase.

There is a need to increase the capacity of regional indoor stadiums to meet community needs. While stadiums accommodate a range of sporting needs, there is a developing pattern of specialisation where individual stadiums aim to be the centre or home base for a small number of select sports, as opposed to providing facilities for a wide cross section of sports in a more generic manner. The specialisation of facilities in a small number of sports provides clubs and sports with a dedicated home instead of the sport being divided across many facilities. This specialisation enables the facilities to meet the specific needs of the select sports and/or clubs located there.

At the same time, there is an ongoing focus by the stadiums to strengthen long-term financial sustainability and to develop robust strategies for renewal.

The findings of the SGS Northern Tasmanian Sporting Facilities - Strategy Report are summarised below:

A needs assessment was undertaken to understand current and future demand relative to the current and future capacity of the sporting facilities. The demand analysis provides an overview of current and projected levels of demand to 2036 for a range of sporting facilities. The needs assessment demonstrates shortfalls exist in the supply for certain facilities at a regional and/or local level, particularly for indoor netball, basketball and gymnastics, and outdoor AFL and football (soccer).

The needs are based on an assessment of current and future demand, taking population projections and sports participation data and trends into account; a high-level audit of the capacity, functions and quality of facilities; and a gaps and opportunities analysis by contrasting demand and supply information at a local and regional level using network optimisation modelling. Key drivers of demand for facilities were identified as population growth, female participation in AFL and cricket, the casualisation of participation and the ageing of the population.

Taking committed investments to improve or expand existing facilities into account, the most important shortfall to 2036 is in the capacity of indoor stadiums. The three regional indoor stadiums are Elphin, Silverdome and PCYC. There is also an indoor sporting facility at Longford.

Future investments into regional indoor sports stadiums should encourage facilities to:

- Provide facilities in line with demonstrated sporting needs – and enable stadiums to focus on a small number of specific sports.
- Work towards operational sustainability, including optimising efficiencies, enhancing usability and suitability – this includes balancing sporting activities with commercial events.
- Operate the facilities according to sound financial, resourcing and renewal strategies in line with organisational capabilities. This may include adaptation of management structures.

Current shortfalls in indoor capacity of sporting facilities may be addressed in the following ways:

a) Demand management: spreading a portion of demand to non-peak hours, days and/or other facilities; optimising timetables and enabling simultaneous uses. These strategies are already being applied.

b) Network optimisation and collaboration with other facility providers. An example is better utilisation of school facilities or co-investing with new school sports facilities. This option is currently being used but may be further explored, especially when schools are built or expanded.

c) Expansion of existing facilities and/or the establishment of an entirely new facility.

The CoL has completed an extensive body of industry research, which has demonstrated that these needs can start to be addressed through the addition of a community-based facility which is able to meet the indoor training and recovery needs for the region's sporting organisations, provide additional courts, together with spaces for community and commercial activation which can serve to make UTAS Stadium more sustainable.

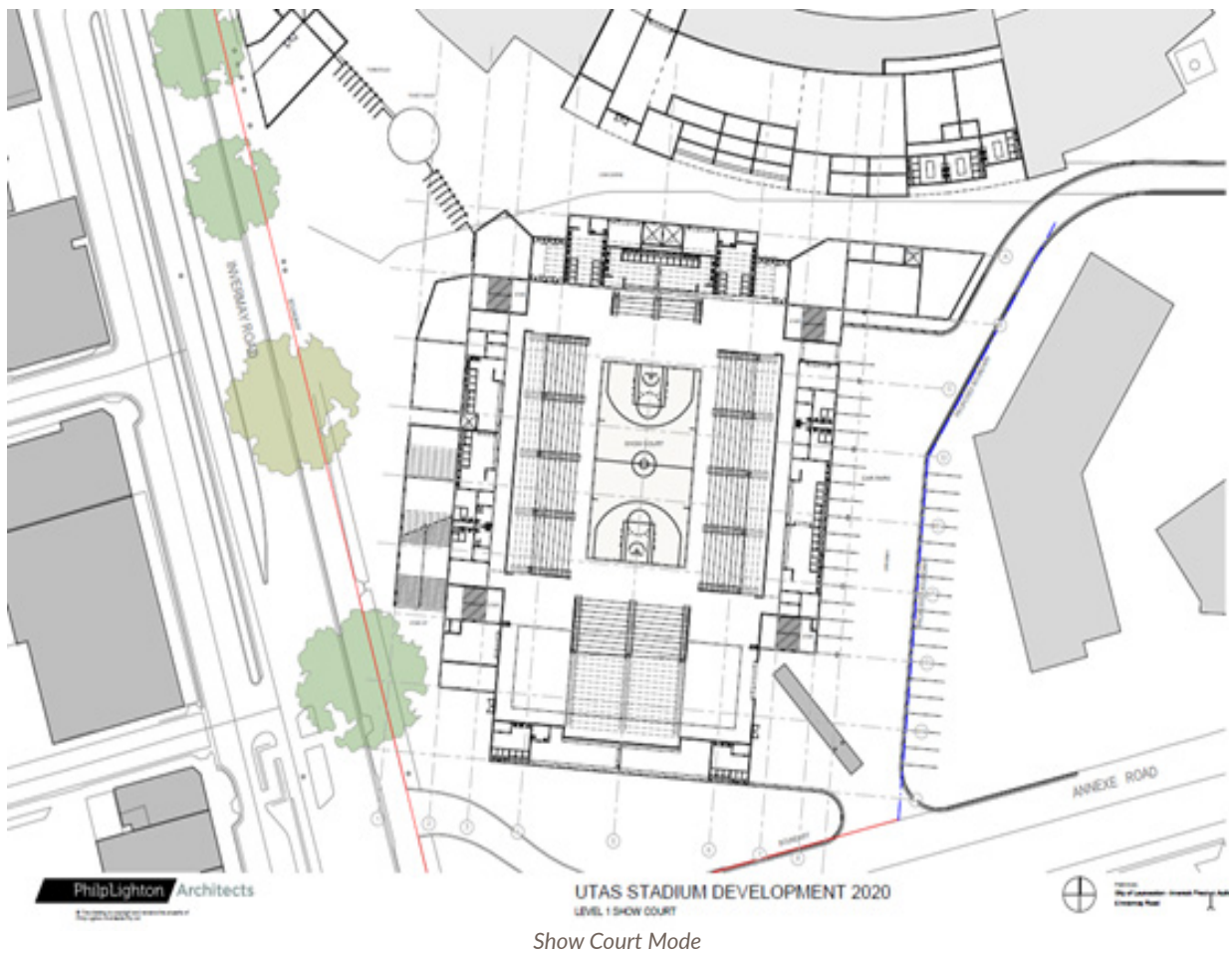
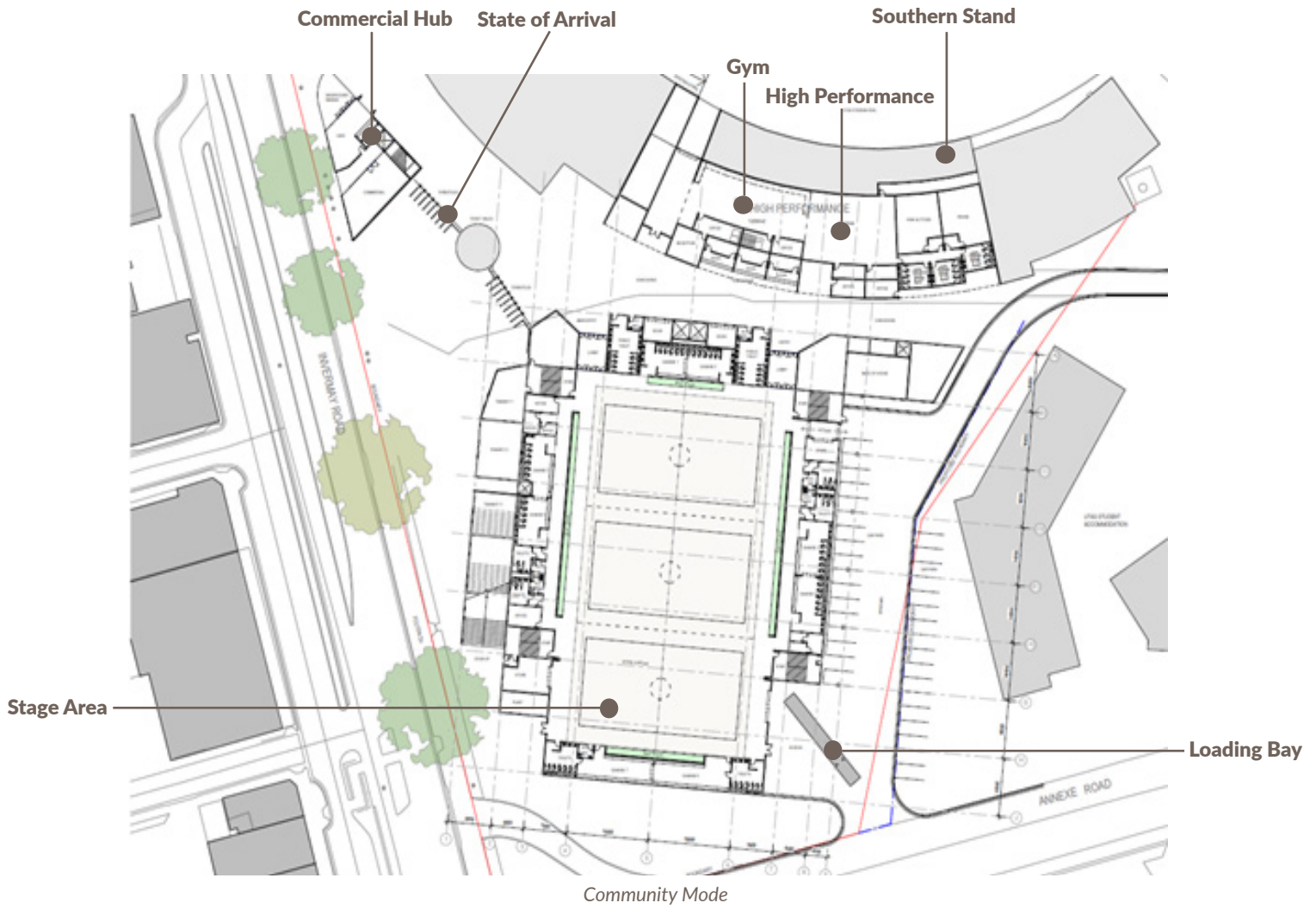
While it is clear that Launceston needs to develop a new facility or facilities to address the current shortfall in the indoor capacity of our sporting facilities, there are a number of issues to consider in determining where this should ideally be located. It would be possible to redevelop the Silverdome to provide additional courts, however, this would be undesirable due to the lack of connectivity of the site. Currently, users must generally be transported to the site in vehicles and the closest public transport access is off Westbury Road which is some 500m+ away with no footpaths connected to the site. Additionally, the existence of a velodrome within the facility makes its redevelopment a challenge. It should be noted that there are 3-4 additional courts being provided in the proposed Northern Suburbs Recreation Hub in Mowbray, however, this site would not be large enough to cater for any more courts when the other service offerings proposed for this facility are taken into account.

The UTAS Stadium site offers a central location which is connected with the City centre and well catered for in terms of car parking, cycling, footpaths, services (etc). Additionally, the co-location of an indoor facility with the stadium would address a strategic need, which will allow it to remain contemporary into the future.

In exploring how these needs can be realised within the stadium, the Council has identified that they can be addressed through the redevelopment of the Southern Terrace and a section of the Western Stand to increase the seating capacity of the stadium and provide a new indoor facility on the Old Bike Track site (pictured on the following page). This site was previously identified for the relocation of the Northern UTAS Campus, however, it is no longer required for this purpose, with only the eastern portion of the site being utilised for student accommodation buildings. It is considered that a stadium on this site would be complementary to the student accommodation and could create opportunities for synergies with the university's sports science program as well as out-of-semester use for sporting carnivals/camps (etc). It is also well located to improve the sense of arrival at the stadium and improve the user experience. Equally, the facility would provide commercial opportunities with frontage to Invermay Road, which would serve to address the Masterplan requirement to increase the activation and commercialisation of the stadium.

Concept Plan

A basic concept plan has been prepared for an Indoor Entertainment and Recreation Facility which demonstrates that a facility can be accommodated on the site which would be compatible with the Inveresk Precinct. This facility, which is shown in the following images, has been costed at a preliminary level at \$98.5m to construct.



Show Court Mode



18-23
NOVEMBER

17:00

BASKETBALL
TOURNAMENT

UNIVERSITY
TASMANIA



UNIVERSITY
TASMANIA

Stadium





UNIVERSITY of TASMANIA Stadium

18-23 NOVEMBER

UNIVERSITY of TASMANIA Stadium

Indoor Entertainment and Sporting Facility

The indoor facility would provide three (3) courts to enable as broad a range of uses as possible. For instance netball, requires six metres between courts for player safety reasons. These courts would serve the local community needs by hosting local, district and state-level basketball, netball, Futsal and other indoor court-based needs which are currently being insufficiently catered for through the use of the Elphin Sports Centre, the YMCA and school-based courts, most of which are non-compliant with current requirements for competitive sports.

The stadium would also provide a show court, which would include retractable seating and social facilities to accommodate higher level basketball, netball and other sporting events and concerts accommodating up to 5000 people. The facility could comfortably co-exist with the Silverdome provided a differentiation of the uses were maintained. For example, indoor netball may be centred at the Silverdome together with track cycling events and smaller concerts, while the new facility would accommodate tournament basketball and other court sports and high-level basketball games such as NBL and NBL1 and other concerts and performances would be based at the new stadium. Stadiums such as the recently completed Bendigo Stadium (pictured) demonstrate how the local needs of the community can be met whilst also catering for higher level basketball and other court-based sporting needs.

In addition to the provision of much-needed courts for Launceston, the new stadium would include indoor training and recovery spaces which would be utilised by Northern sporting teams and groups.

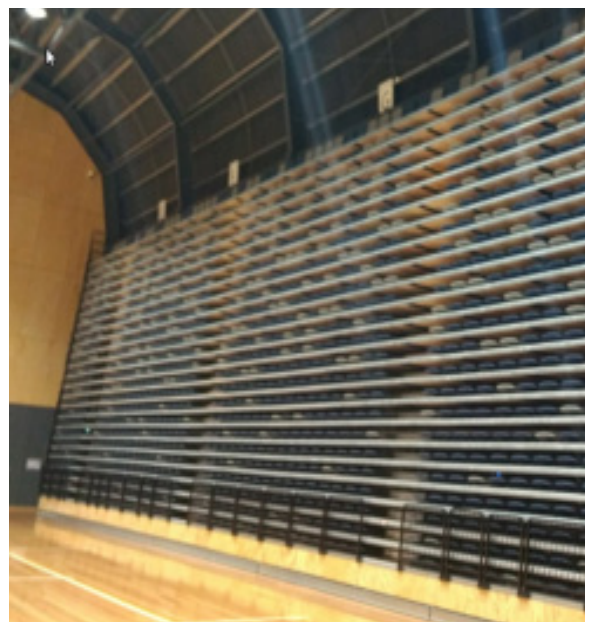
The facilities would be designed to be multi-purpose and would be capable of accommodating local clubs and athletes through the professional sporting clubs and athletes such as AFL clubs, NBL clubs, Cricket Tasmania, NBL1 clubs, TSL, Netball clubs (etc).

A well designed multi-use facility would create an ability for Launceston to host larger scale concert, musical performances, stage shows and the like which cannot currently be accommodated due to the limitations of the Silverdome, which can only seat 3,200 people with limited configurability due to the fact that the main arena houses a timber cycling velodrome. There would also be an ability to host large conferences and, in particular, large sit down events which cannot currently be accommodated within the City. It is noted that none of the current or proposed hotels within Launceston will provide a space capable of fulfilling this need.

As previously mentioned, the Bendigo Stadium provides an example of a community-based indoor facility which can not only cater for the local sporting needs of the community, but can also accommodate performance, conference and function needs. Through the use of retractable seating, flexible social/function spaces and the inclusion of infrastructure such as the centre court Jumbotron (screens) a high flexible and useable community facility can be developed.



Bendigo Stadium social/function space



Retractable seating



The recently constructed Bendigo Stadium



The Bendigo Stadium in action



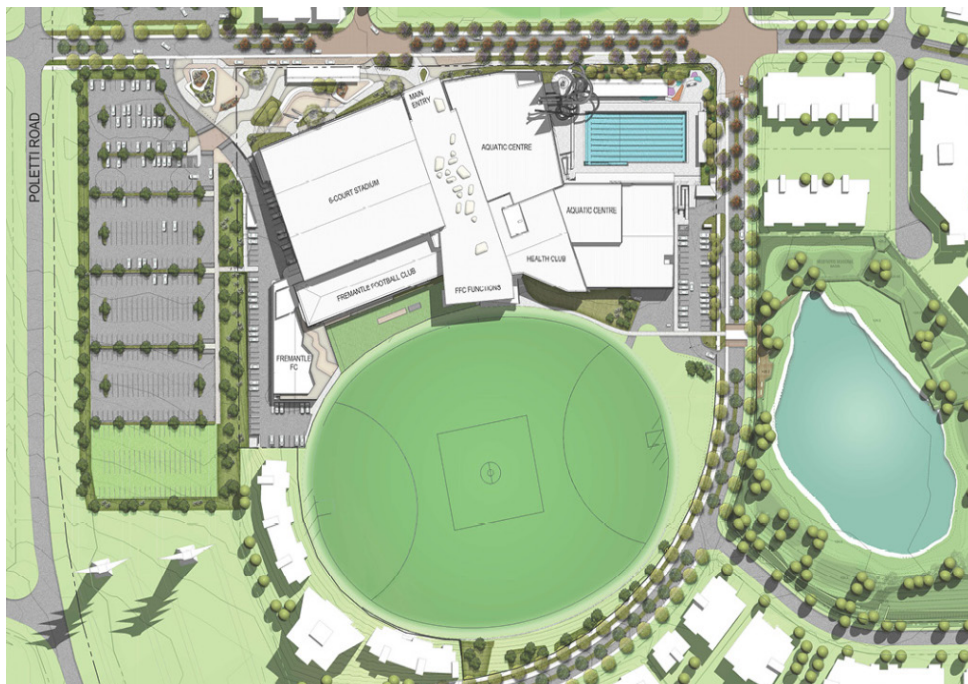
Bendigo Stadium in community mode

Community High-Performance Facilities

Currently the Launceston community has a complete lack of high-level sporting facilities which are capable of servicing the training and/or recovery needs of our community's sporting teams and athletes. Clubs currently make do with what they can such as single-user ice baths, the Launceston Leisure & Aquatic Centre for recovery sessions, limited indoor training facilities and no dedicated classroom/lecture facilities.

Launceston is too small a centre to provide a dedicated high-performance facility in its own right for the exclusive use of particular sporting teams and/or codes. Accordingly, a community-based high performance centre should be provided as part of the redevelopment of the UTAS Stadium. Such a facility would be available for use for the many sporting groups and teams within Launceston for use on a fee-for-service basis and must be of a suitable quality to service high-level sporting teams and athletes.

The Fremantle Football Club training facility is an example of a high-level sporting team establishing a high performance facility as part of a community facility which includes public basketball courts, aquatic facilities together with community and retail spaces. The Club's Training & Administration Facility formed part of the City of Cockburn's \$109m Regional Aquatic and Leisure Centre, which is illustrated below:

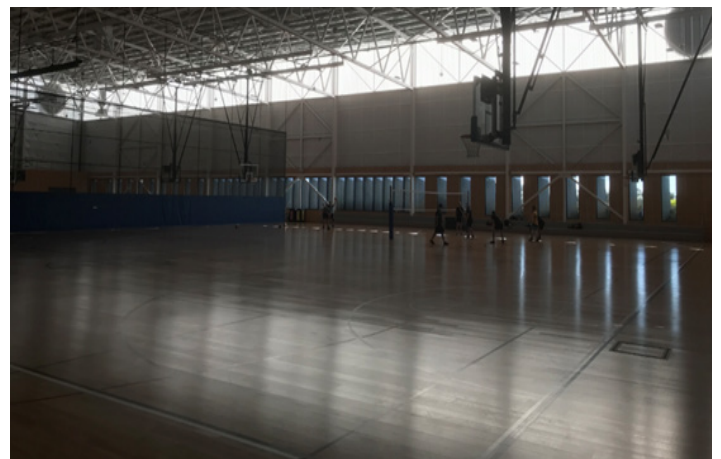


Fremantle Football Club Training Facility/Cockburn Regional Aquatic and Leisure Centre

A community-based, high-performance facility should include courts, indoor training spaces; training pool, ice baths, classrooms/lecture rooms, gymnasium and treatment areas. Some pictures of contemporary high-performance facilities are provided as follows:



Indoor Training Facility at West Coast Eagles High Performance Centre



Fremantle Football Club Training Facility (public courts)



Training pool at Fremantle High Performance Centre



Ice bath at Western Australian Institute of Sport



Classroom/lecture room

Community Facilities

In addition to its sporting use, it is important that a new indoor stadium is able to provide functional and flexible space for social, cultural and educational initiatives and programs. The Deakin Cats Community facility, which is located at the GMHBA Stadium in Geelong, is an example of a space which is able to be utilised by a range of community groups to deliver community programs and improve health and well-being outcomes for the community. Such a space would work in conjunction with the Northern Community Recreation Hub, which is currently being developed in Mowbray, to deliver a range of community programs. A facility based at the stadium would be able to access sporting teams and 'stars' from the users of the facility (such as AFL, Jack Jumpers or Hurricanes players, etc) to further enhance community programs and outcomes.



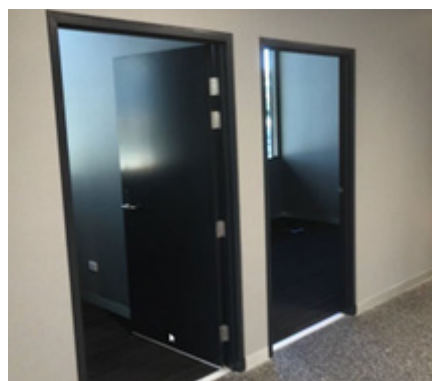
GMHBA Stadium - Deakin Cats Community Centre in action



GMHBA Stadium - Deakin Cats Community Centre

Commercial Facilities

The Masterplan has identified that the stadium must include Infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the venue. The proposed redevelopment of UTAS Stadium presents the opportunity to co-locate businesses such as physiotherapy or a medical centre which would be provided with frontage to Invermay Road, and ample car parking within the facility. There would also be the opportunity for a ground-level retail offering (café/restaurant) to be established to activate the stadium, particularly during non-event periods. It is becoming standard practice for stadiums to provide commercial opportunities to assist in off-setting the high cost of running the facility. For instance, the recently constructed West Coast Eagles Football Club High Performance Centre includes space in which to locate a physiotherapist business. This has resulted in the formation of the 'West Coast Eagles Health and High Performance' business, which is now operating from the facility.



West Coast Eagles Football Club High Performance Centre

Works required in the event of a Tasmanian AFL Licence

The AFL Licence Taskforce Business Plan (2019) presents a well-researched, reasoned and credible way forward for the State to pursue a Tasmanian AFL licence, which would introduce an AFL, AFLW and Next Generation Academy program into the State.

It is the assessment of the Taskforce that "... a pathway to an AFL and AFLW licence exists, and pending ongoing AFL consultation, further analysis of commercial models, and commission of review of stadia opportunities, it should be pursued." Clearly there is a lot to play out in terms of the decision-making processes of both the Tasmanian Government and the AFL Commission and clubs before a Tasmanian AFL licence becomes a reality, however, it is important to consider the implications for UTAS Stadium in the event that the licence is achieved and home games commence from 2024/25 and beyond as proposed in the Business Plan. The Taskforce makes a number of core findings and recommendations to the Government in the Business Plan, with the most relevant core findings for the stadium being:

"... 5. Launceston would host and benefit from 'blockbuster' matches being played at an enhanced 27,500-seat UTAS Stadium. Due to its apparent limitations, Blundstone Arena would host smaller-drawing AFL clubs or games. Upon 'proof-of-concept', a longer-term aspiration should be a roofed, CBD-based 'Adelaide Oval' multi-purpose facility developed for Hobart to share all AFL content and opportunities with Launceston.

6. Irrespective of a new stadium, a State Stadia Strategy and review should be undertaken to both validate our assessment of stadium demand and to consider the wider State value in attracting or retaining existing events, conferences and other national sporting franchises or leagues to Tasmania, and their subsequent contribution to GSP and returns to the football club.

8. The existing Tasmanian AFL stadia capacities are incapable of hosting the forecasted average attendance or member demand required in the Business Plan. Additionally, key infrastructure not currently available but required prior to a Tasmanian club's first season includes high-performance training facilities. ..."

The Taskforce is clearly of the view that the existing capacities at UTAS Stadium and Blundstone Arena are incapable of hosting the forecasted average attendance or member demand required in the Business Plan of approximately 18,400 per match over 11 home games. The Taskforce believes that at these levels, at least one or more likely both stadiums will need to undertake upgrades to provide additional seating capacities, enhanced amenities and improved transport options.

The Taskforce is recommending the redevelopment of UTAS Stadium as the initial primary football venue within the State, but is also recommending that a longer-term Hobart CBD-based, roofed stadium be constructed in the next 10 years in an appropriate entertainment precinct. In principle, the proposal to redevelop UTAS Stadium is supported, but only on the basis that the stadium will continue to host half of the home games in the future with a commitment to maintaining the visitation of the larger drawing Victorian-based teams.

The Taskforce has identified that as a minimum, a Tasmanian team will require access to a high-performance and other training facilities and an AFL-standard stadium (or stadia) capable of meeting anticipated and budgeted demand. Under the model proposed to support an AFL licence, facilities for playing, training, recovery and administration must be upgraded in both Launceston and Hobart as part of the unified

'north-south' model. This will deliver improved spectator and participant options, and is consistent with the future direction to provide improved administration, community and high-performance facilities at UTAS Stadium.

The Council has developed a plan to upgrade UTAS Stadium's seating capacity to 24,112 and provide the Sport and Entertainment facility, which is outlined earlier in the Plan. The development plan is included as figure 2.

Importantly, this plan provides a first stage of satisfying the longer-term goal of upgrading the stadium to 27,500 seats as recommended in the AFL Licence Task Force Business Plan 2019 prepared for the State Government of Tasmania.

The development plan includes retractable seating on the lower tier to provide a rectangular field, which is a critical element for the long-term strategy and planning for the stadium. This would increase opportunities for the stadium to host rectangular field sports such as the 2023 FIFA Women's World Cup and the 2027 or 2031 Rugby World Cup as well as future A - League and International soccer (football) events (etc).

The development plan involves the following upgrades:

Upgrades	Seats	Estimated Cost (\$m)
A second tier on the Eastern and Northern Terrace Grandstands linking as one through the Railway Workers Hill with retractable seating in the lower tier.	12,592	\$65
New Southern Stand	3,850	\$44
Existing Seating	7,670	
TOTAL	24,112	\$109
Sport and Entertainment Facility		
Sport and Entertainment Facility	5,000	\$99
TOTAL	-	\$208

This cost is comparable with the redevelopment of similar stadiums such as Kardinia Park (GHMBA Stadium) in Geelong which has seen \$175m invested by the levels of Government, AFL and the Geelong Football Club to increase the functionality of the stadium and increase its seating capacity to 36,000. Additionally, a further \$142m is being invested in the 2020/21 Victorian State budget to deliver a final stage of the stadium redevelopment which will increase its capacity to over 40,000 seats.

According to the Taskforce Business Plan, "... Launceston has greater opportunity to provide an upgraded stadium to meet anticipated demand for 'blockbuster' matches. Current AFL scheduling, unlike the present content arrangements, would see the larger crowd (local and interstate) attracting clubs such as Collingwood and Richmond playing in the State every second year, in Launceston...". It further states that, "...While acknowledging a separate investigation is required - that economically UTAS Stadium may be best placed for upgrade, including its seating capacity to host the major-drawing interstate clubs and their supporters."

The Business Plan is proposing that the upgrade of the ground and training infrastructure would need to occur in 2023 in readiness for home games in 2024/25, including control of stadiums. Clearly therefore, in order for this to occur it will be important that the preliminary investigations and decision-making around the redevelopment of York Park must commence as soon as a decision to proceed with an AFL licence occurs.

EXIST CARLTON DRAUGHT STAND	2020 SEATS	NEW SOUTHERN STAND	3850 SEATS
NEW NORTHERN STAND - 17 BAYS	4369 SEATS	EXIST WESTERN STAND	5200 SEATS
NEW EASTERN STAND - 33 BAYS	8223 SEATS	EXIST FUNCTION CENTRE	450 SEATS
RAILWAY WORKERS HILL	INCL EASTERN	TOTAL - STAGE 2	24112 SEATS

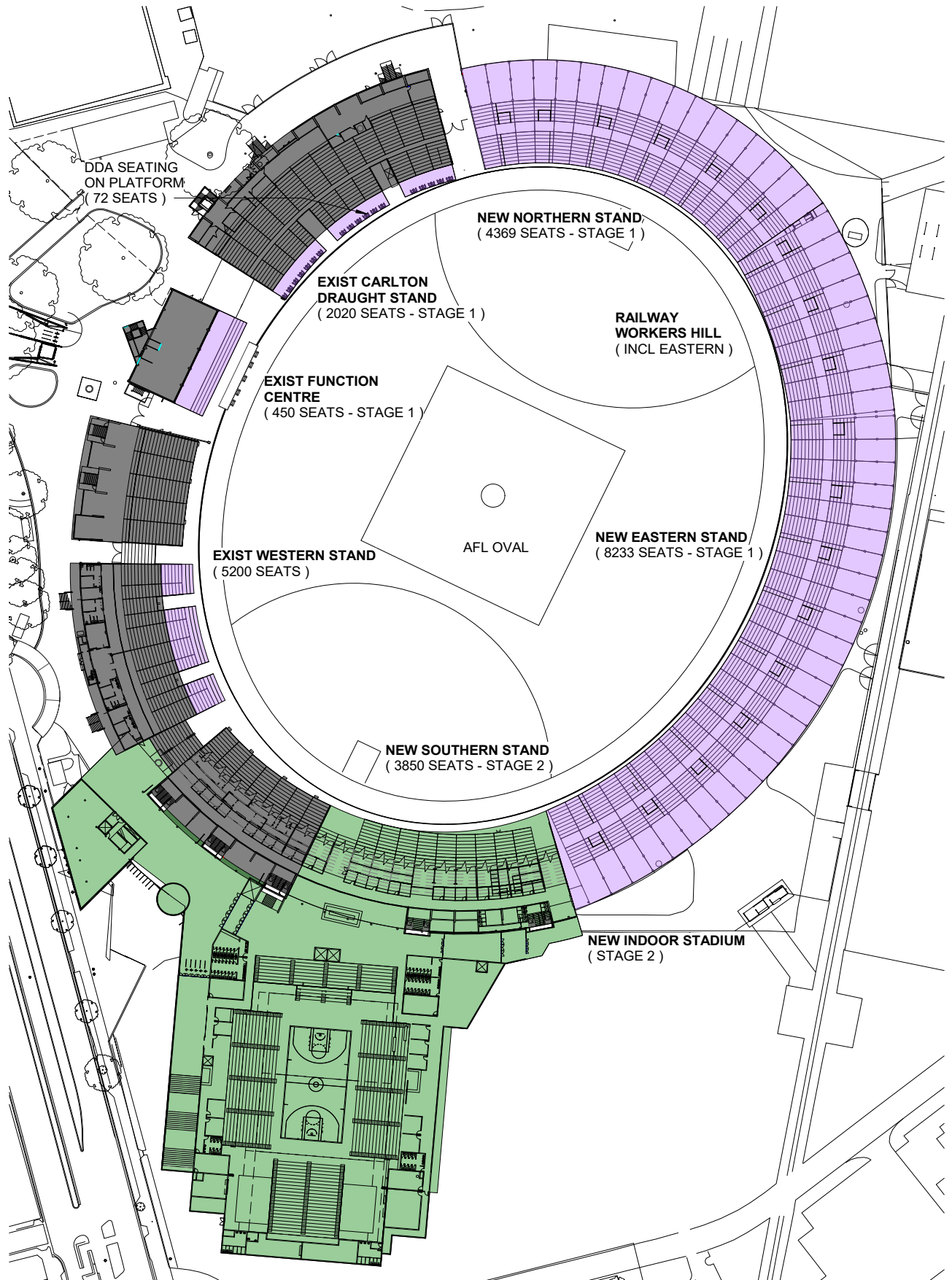


Figure 2



An image of the redeveloped Eastern and Northern terrace.

Ownership and Governance

In considering the future development needs of the stadium which have been outlined in this Future Direction Plan, it is clear that the current ownership and governance models will need to change to reflect a more sustainable and contemporary approach.

According to the Queensland Government's 2018 Stadium Taskforce final report "... it is not commercially feasible to operate major sports facilities within Australia to recover the cost of capital and to generate a return on capital. ...". While the existence of major sporting venues provide significant benefits to the community by attracting high-level sporting and cultural events and servicing the State's high-level sporting

needs, the return on the investment is generally measured in terms of attendance at events and the resultant economic activity this generates for the city and the region.

Throughout Australia, Tier 2 Stadia like UTAS Stadium are generally owned by the State Government either directly, or through a Trust or Authority. A summary of the ownerships and governance structures of the Tier 1 and Tier 2 stadiums across Australia is provided in the following tables. This section of the plan examines the trust and authority ownership and governance models as a means of providing a more sustainable operating environment for the UTAS Stadium into the future.

Table 1: Ownership and management of Australia Stadia - Tier 1 Venues

Venue (Naming Rights)	Location	Capacity	Owner	Ownership Model	Venue Manager
Stadium Australia (ANZ Stadium)	Sydney, NSW	83,500	Venues NSW	Trust / Authority	VenuesLive
Sydney Cricket Ground (SCG)	Sydney, NSW	47,000	NSW Government	State Government	SC&SG Trust
Sydney Football Stadium (Allianz Stadium)	Sydney, NSW	45,500	NSW Government	State Government	SC&SG Trust
Lang Park (Suncorp Stadium)	Brisbane, QLD	52,500	QLD Government	State Government	AEG Ogden
Brisbane Cricket Ground (The Gabba)	Brisbane, QLD	42,000	QLD Government	State Government	Stadiums Queensland
Adelaide Oval	Adelaide, SA	50,000	SA Government	State Government	Stadium Management Authority
Docklands Stadium (Marvel Stadium)	Melbourne, VIC	56,347	AFL	Private Sector	Melbourne Stadiums Limited
Melbourne Cricket Ground (MCG)	Melbourne VIC	100,000	VIC Government	State Government	Melbourne Cricket Club
Subiaco Oval (Patersons Stadium)	Perth, WA	43,500	WA Government	State Government	WA Football Commission
Perth Stadium (Optus Stadium)	Perth, WA	60,000	VenuesWest	Trust / Authority	VenuesLive

Table 2: Ownership and management of Australia Stadia - Tier 2 Venues

Venue (Naming Rights)	Location	Capacity	Owner	Ownership Model	Venue Manager
Canberra Stadium (GIO Stadium)	Canberra, ACT	26,011	Territory, Venues & Events (Leased from Sports AUS)	Agency	Territory, Venues & Events
Newcastle Stadium (McDonalds Jones Stadium)	Newcastle, NSW	33,189	Venues NSW	Trust / Authority	Venues NSW
Western Sydney Stadium (Bankwest Stadium)	Sydney, NSW	30,000	Venues NSW	Trust / Authority	VenuesLive
Wollongong Stadium (WIN Stadium)	Woll'gong, NSW	20,000	Venues NSW	Trust / Authority	Venues NSW
Sydney Showground (Spotless Stadium)	Sydney, NSW	25,000	RAS NSW (Leased from NSW Government)	Private Sector	Royal Agricultural Society of NSW
Jubilee Oval (Netstrata Jubilee Stadium)	Sydney, NSW	22,000	Georges River Council	Local Government	In-house
Penrith Stadium (Panthers Stadium)	Sydney, NSW	22,500	Penrith City Council	Local Government	Penrith Panthers
Central Coast Stadium	Gosford, NSW	20,059	Gosford City Council	Local Government	In-house
Endeavour Field (PointsBet Stadium)	Sydney, NSW	20,000	Cronulla - Sutherland Leagues Club	Sporting franchise / association	Cronulla - Sutherland Leagues Club
Brookvale Oval (Lottoland Stadium)	Sydney, NSW	20,000	Northern Beaches Council	Local Government	Northern Beaches Council
Campbelltown Sports Stadium	Sydney, NSW	20,000	Campbelltown City Council	Local Government	In-house
Leichhardt Oval	Sydney, NSW	20,000	Inner West Council	Local Government	In-house
Carrara Stadium (Metricon Stadium)	Gold Coast, QLD	25,000	Stadiums QLD	Trust / Authority	AFL / Suns
Townsville Stadium (1300SMILES Stadium)	Townsville, QLD	26,500	Stadiums QLD	Trust / Authority	Stadiums QLD
Robina Stadium (Skilled Park)	Gold Coast, QLD	27,290	Stadiums QLD	Trust / Authority	Stadiums QLD
York Park (University of Tasmania Stadium)	Launceston, TAS	20,000	Launceston City Council	Local Government	Launceston City Council
Melbourne Rectangular Stadium (AAMI Park)	Melbourne, VIC	30,050	MOPT	Trust / Authority	MOPT
Kardinia Park (GMHBA Stadium)	Geelong, VIC	34,000	Kardinia Park Trust	Trust / Authority	Kardinia Park Trust
Perth Oval (HBF Stadium)	Perth, WA	20,000	VenuesWest	Trust / Authority	VenuesWest
WACA Ground	Perth, WA	20,000	WA Cricket Association	Sporting franchise / association	WA Cricket Association
Manuka Oval	Canberra, ACT	13,500	Territory, Venues & Events	Agency	Territory, Venues & Events
Hindmarsh Stadium (Coopers Stadium)	Adelaide, SA	17,000	Adelaide Venue Management Corporation	Government Corporation	Adelaide Venue Management Corporation
Bellerive Oval (Blundstone Arena)	Hobart, TAS	19,500	Clarence City Council	Local Government	Tasmanian Cricket Association

Council's ownership challenge

The City of Launceston provides a wide range of services that are essential to the Launceston community's quality of life and as a result is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets with a total replacement value of \$2.03bn.

Launceston is at a financial disadvantage relative to other regional centres, as a result of it taking a leading role in the region. If the region is to compete on the national stage for residents, investors and visitors then it is critical that there is a focal point for this activity. Launceston provides the infrastructure (schools, hospitals, sport, recreation and entertainment) that enhances regional lifestyle. This includes regional assets such as: UTAS Stadium, Queen Victoria Museum and Art Gallery, Princess Theatre, Launceston Leisure & Aquatic Centre, Cataract Gorge and the like.

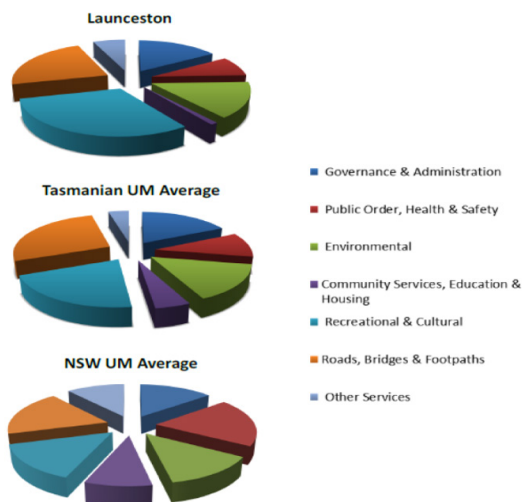
However, while people may choose to live or work in another Municipal Area, Launceston's urban infrastructure supports the ability to live in the region and provides access to both facilities of a national standard and a wide range of lifestyle choices. This causes a situation whereby the City of Launceston is providing a substantial number of assets to service the Northern region of approximately 140,000 people, yet these assets are funded predominantly by the City of Launceston rate base of 68,007 people or around 31,000 rateable properties. Clearly therefore, Launceston is required to provide and maintain regional level infrastructure, which is not required to be provided by surrounding councils.

In fact, the Council contends that the costs borne by City of Launceston ratepayers and avoided by the residents of other municipal areas are in excess of \$4.2m annually.

It can be seen in the following figures that the Recreational & Cultural Service (i.e. includes the Launceston Aquatic, University of Tasmania Stadium and QVMAG), is the City of Launceston's largest operating cost centre. Council's expenditure in this area is significantly higher than Tasmanian and NSW council averages.

Indicator/Statistic (2012-13)	Launceston	UM Ave	State Ave	NSW UM Ave
Total Expenditure	89,222	75,966	25,166	84,395
Operating Cost per Valuation(\$)	2763	2832	2471	3895
Operating Expense per Capita (\$)	1329	1337	1756	1798

Operating Expenses by Council Function



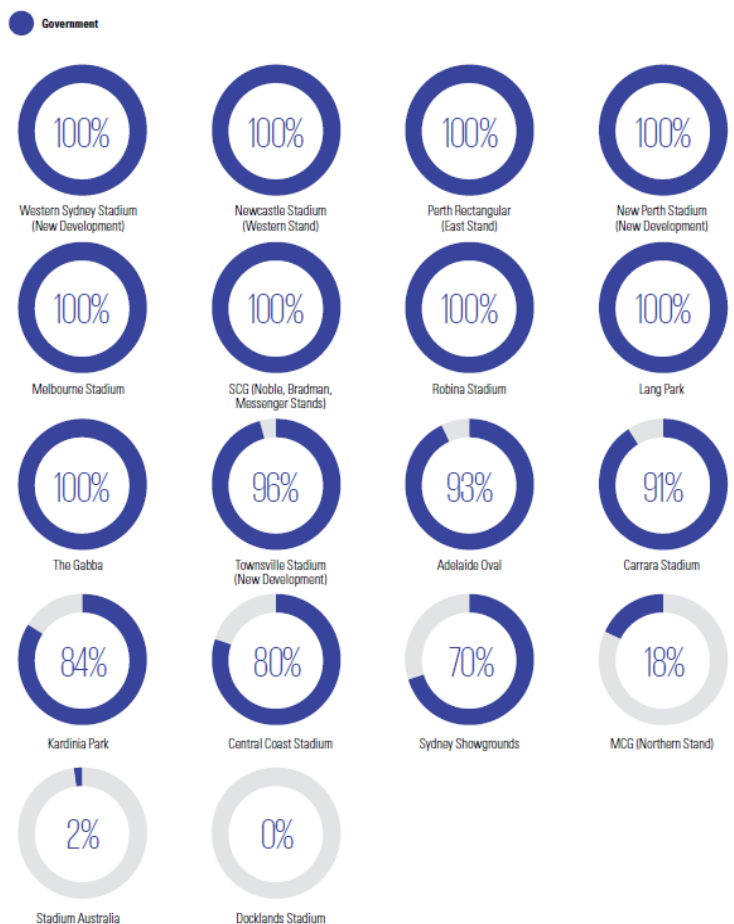
Operating expenses by Council function

With an annual budget of around \$112m, it is becoming increasingly challenging for the City of Launceston to own and maintain a Tier 2 Stadium such as UTAS Stadium. This challenge is further exacerbated by having to fund the stadium's development needs which include security upgrades, public address upgrades, scoreboard and screen upgrades, grandstand renewals as well as upgrades to corporate and social facilities. Similarly, if progressed, the AFL License Taskforce Business Plan 2019 will have significant implications for the future development of the stadium as the cost of an increase in the stadium's capacity to 27,500 would be in the order of \$114-212.5m, with the resultant increase in the Council's depreciation and maintenance burden. This would be unaffordable for the Council.

To further demonstrate the trend towards government ownership of major stadiums, one only needs to understand the level of government investment in major stadia development across Australia. It is clear that in order for UTAS Stadium to be maintained as a contemporary and compliant Tier 2 stadium, or for it to be developed as a higher level Tier 2 stadium, a more contemporary ownership and governance model must be implemented. The various options for achieving this are discussed in the next section of the Plan.

Throughout Australia, the majority of funding for capital improvements for Tier 1 and Tier 2 stadia is sourced from capital grants from government. The following figure provides an indication of the level of government funding in the development of stadia across Australia in recent history.

How much do governments invest in stadia development?



Source: KPMG analysis of publicly available data

Level of government funding for stadium development in Australia

Alternative Ownership Models

In 2019, the Council engaged KPMG to conduct a review of the existing ownership structure of UTAS Stadium and to investigate suitable options for future ownership and management. KPMG's report entitled Establishment of a Stadium Trust (March 2020) is included as Appendix 2. The key finding made by KPMG is that "... The stadium is currently a net financial burden on the Council and Council is not in a position to be able to make significant capital upgrades to the venue, particularly if Tasmania is successful in securing a permanent AFL license." The research conducted by KPMG suggests there are more appropriate alternative ownership models for the stadium, including ownership by State Government in a standalone Statutory Authority or Trust. These two models are further discussed below.

Standalone Statutory Authority

KPMG has identified that the Stadiums Queensland model is an example of a standalone statutory authority which could be considered for UTAS Stadium, and ultimately, for all major stadiums within the State.

In April 2018, the Queensland Government set up a taskforce to examine the current operating and pricing models for major sporting events for each of the nine (9) venues within the Stadiums Queensland portfolio.

Stadiums Queensland was subsequently established under the Major Sports Facilities Act 2001 ('MSF Act') and is now charged with the responsibility for the management, operation, use, development and promotion of State Government-owned major sports facilities in Queensland. The MSF Act has two main purposes:

- to provide the governance and institutional arrangements for the ownership and management of state-owned major sports facilities, and
- to provide for the regulation of venue and event management at state-owned major sports facilities where required.

The MSF Act establishes Stadiums Queensland as a statutory body which is separate from the State Government. It is a body corporate; has a seal; may sue and be sued in its corporate name; and does not represent the State. The MSF Act establishes the Board which is responsible for the overall corporate governance of Stadiums Queensland.

Prior to the establishment of Stadiums Queensland, major venues in Queensland were administered through separate legislative regimes and governance structures. This approach was fragmented and inflexible, particularly in the event that the State acquired additional sports facilities. The formation of Stadiums Queensland brought together information and expertise within government for the ownership, management and operation of the social infrastructure category of stadiums and major sport and entertainment venues.

The Gabba was the first venue to be brought into the Stadiums Queensland portfolio with the dissolution of the Brisbane Cricket Ground Trust in 2001. This was soon followed by three Brisbane City Council venues in 2002 which were transferred for \$1. In 2003, Suncorp Stadium was transferred after its redevelopment by the Stadium Redevelopment Authority.

The Taskforce found that "A statutory body model provides the most appropriate governance structure for the Queensland

entity responsible for managing government-owned major sports facilities as:

- it better enables Stadiums Queensland to act commercially, being more responsive and flexible in decision making than a traditional government department,
- it provides Stadiums Queensland with the ability to operate with independence,
- the management of major sports venues is highly specialised and distinct from the traditional roles of government and departments, and
- it reduces the state's exposure to the risks involved in the management of major sports facilities, including financial and legal risks."

Stadiums Queensland has a broad mandate. There are few limitations on the way the Authority undertakes its roles and functions. The level of independence afforded to the Authority is meant to facilitate commercial competitiveness in attracting national and international events to Queensland's major sporting venues.

Stadiums Queensland was Australia's first single entity to own and manage state major sports facilities. Since that time, this model has been viewed by other jurisdictions as best practice and other states have made formal moves towards the SQ model. For example, the recent moves to establish Venues New South Wales and VenuesWest by the new governments in those states suggests they have identified the benefit of having a single entity owning multiple sports facilities.

Trust

The Trust model is a common ownership model for major stadia across Australia, with significant precedent to enable the establishment of leading practice legislation and governance for the ownership and management of UTAS Stadium under this model.

Trusts range from being responsible for a single venue (i.e the MCG Trust and Kardinia Park Stadium Trust) to being responsible for 13 venues (i.e VenuesWest). Similarly, staffing ranges from 1 FTE (MCG Trust to approximately 164 FTE (VenuesWest), noting that this is influenced by both the number of venues and the management model of each venue. Operating revenue ranges from \$4.7m for the MCG Trust (noting this is largely the lease from the venue operator) to almost \$250m at VenuesNSW, however, only two trusts recorded an operating profit - namely the MCG Trust (marginal after debt repayments) and VenuesNSW. With the exception of Kardinia Park Stadium Trust and the Melbourne & Olympic Park Trust, board of directors remuneration was below \$200,000.

The trusts are all statutory entities that have both been constituted by state-based legislation which establishes a trust and a body corporate trustee. Overall, the legislative approach to constitute the trusts and provide the trusts with powers, rights and obligations is fairly consistent across the various states.

A leading practice legislative model for the operation of a trust would include the following characteristics:

- Establishment of trust - The entity is established as a trust with a body corporate trustee comprising a board that can delegate responsibilities to management;

- **Trustee's rights** - As a body corporate, the trustee has rights to enter into contracts, deal with property, be sued, sue and exercise other rights of a body corporate;
- **Trustee's functions and powers** - The trustee must use, maintain and develop the land, and use, manage, operate, maintain and update the facilities on the land;
- **Board of Trustees** - The board is comprised of directors with relevant skills and experience, appointed for a specific term and remunerated in accordance with a ministerial determination;
- **Decision-making** - The directors of the board must make decisions that are appropriate and reasonable, in accordance with procedures;
- **The use of the land** - The trust has the power to grant leases and licenses of the whole or any part of the land and can carry out works on the land subject to approval by the Minister; and
- **Funding and budgets** - The trust may receive funds (including through government appropriations) and expend funds. The trustee is to develop financial budgets and forecasts and manage financial inflows and outflows.

Kardinia Park is the most appropriate comparator to UTAS Stadium as it is a trust with responsibility for a single venue.

Kardinia Park is located in Geelong, Victoria, and is best known as the home ground for the Geelong Cats AFL team, as well as an alternate home ground for the Melbourne Victory (A-League), and Melbourne Renegades (Big Bash). The stadium has also become the temporary home of new A-League franchise, Western United, until their stadium is developed. The capacity of the stadium is currently 38,000.

The stadium was originally under Local Government ownership, but following significant redevelopment funding being provided provided by the State Government in recent years, ownership transferred to the Victoria Government in 2018 in the form of the Kardinia Park Stadium Trust. As at 2018, the Trust had a FTE count of 14 employees and is lead by an Executive Team comprised of the Deputy CEO (events and operations), GM Finance & Corporate Services, GM Marketing & Communications each of whom are responsible for their own portfolio and report through to the CEO.

A review of enabling legislation identifies that trusts generally have broad powers to employ individuals to assist with the operations and functions of the trust. In effect it is up to the trustee to determine whether it will employ individuals pursuant to individual bespoke employment agreements, or

whether the instrument, such as an applicable modern award or an enterprise agreement. In some instances, the applicable legislation describes transitional provisions should employees of an existing entity transfer to a new entity.

Preferred Stadium Governance

It is the Council's preference that UTAS Stadium is transferred to the Tasmanian Government for \$1.00 through the creation of a Trust. Such a transfer would include the stadium itself, Invermay Park, the balance of the Old Bike Track site, all assets associated with the maintenance and operation of the facilities/land as well as the existing employees.

It is the view of the Council that the establishment of a trust would:

1. enable the stadium to act commercially, being more responsive and flexible in decision making than a traditional government department;
2. provide the ability to operate with independence;
3. recognise that the management of major sports venues is highly specialised and distinct from the traditional roles of government and departments;
4. reduce the Council's and State Government's exposure to the risks involved in the management of major sports facilities, including financial and legal risks; and
5. provide a vehicle for delivering a state-wide stadia strategy.

In the first instance it is recommended that the organisational structure would simply overlay a board onto the existing structure, although, over time, it is likely that the organisation would move to a structure similar to that of the Kardinia Park Trust. It has been identified that a trust model will result in additional operating costs (largely related to staffing costs and board remuneration), however, is also anticipated to facilitate a more commercially focused organisation with capacity to drive event activity/attraction and enhanced commercial arrangements.

The following table provides a summary of potential organisational structures and annual staffing costs for a York Park Trust:

	Operational FTE	Operational staffing costs	Board costs	Total costs
Existing Org. Structure	7	\$616K	Nil	\$616K
# Board Overlay	7	\$632K	\$80K	\$712K
## Kardinia Park Trust Model	10	\$966K	\$80K	\$1,046M

Structure 1: Simply overlaying a board onto the existing structure

Structure 2: Developing a structure similar to that of Kardinia Park Trust (noting this venue was recently transferred from Council ownership to a single venue State Government trust)

Notably, the KPMG reports identifies that there are synergies and incremental benefits of a trust model when additional venues are added to the portfolio (i.e. reduced staffing costs on a per venue basis), which is further outlined in the stadia strategy discussion below.

State Stadia Strategy

The AFL License Taskforce Business Plan recommends that a State Stadia Strategy and review should be undertaken to both validate its assessment of stadium demand and to consider the wider State value in attracting and retaining existing events, conferences and other national sporting franchises or leagues to Tasmania, and their subsequent contribution to Gross State Product and returns to the football club.

All mainland states have articulated their stadium strategies over the past decade in an increasingly competitive environment.

Without a re-think and potential subsequent investment, the State is likely to see a reduced event calendar given the new multi-use developments that have taken place in South Australia, Western Australia and in Townsville.

It is recommended that a State Stadia Strategy would need to focus on stadiums which are used for national-level sporting competitions, rather than those which are used for state or district level sporting competitions, which are being capably managed by Local Government across the state.

There are only two Tier 2 stadiums within the State being UTAS Stadium and Blundstone Arena, with a third Tier 2 stadium proposed to be added within 10 years under the AFL License Taskforce Business Plan. In addition to these stadiums, indoor stadiums such as the Silverdome and Elphin Sports Centre are utilised for NBL1 level basketball competitions, while the Derwent Entertainment Centre is being transformed to the home of a Tasmanian Jack Jumpers NBL team from 2023. Importantly, the proposed indoor stadium which would be incorporated into UTAS Stadium in the future would host NBL, NBL1 and national-level netball competitions together with music concerts and other uses.

There would be some considerable merit in investigating the opportunity for including these venues in the stadiums trust. A single State-wide trust would enable improved economy of scope and scale in venue management across the State and would enable for more effective coordination and collaboration across the venues. Additionally, there would be ability to

centralise management and engage in skill-sharing across the venues, which would provide opportunities for cost efficiencies within the trust organisation.

It's worth noting that the NSW Government has recently announced that it is to merge its Venues NSW agency and the Sydney Cricket and Sports Ground Trust (SCGT) to create a single organisation for NSW sporting and entertainment venues.

The SCG Trust is currently responsible for the SCG and the under-construction Sydney Football Stadium, while Venues NSW is the owner, coordinator and promoter of publicly-owned sports and entertainment venues including Sydney's ANZ and Bankwest Stadiums, McDonald Jones Stadium in Newcastle, the Newcastle Entertainment Centre and Showground and the WIN Sports Stadium and Entertainment Centre in Wollongong.

The move is aimed at attracting blockbuster events and drive economic activity across the state. Announcing the merger, acting Minister for Sport Geoff Lee stated "this merger is about placing NSW in the best possible position to attract the most exciting and sought after events so the entire State can benefit from the economic stimulation.

"We have made the investment in stadiums and infrastructure which are the envy of the world and now it's time to ensure we get maximum returns.

"NSW is often competing nationally and internationally to attract major sporting events, concerts and other outdoor activities to our venues. A strong, co-ordinated and streamlined approach to attracting these major events will put our State in the best position to win them and reap the economic benefits."

An Interim Advisory Board will be established to oversee the development of the operating model for the new entity, and will include long standing board members of the SCGT and Venues NSW.

Conclusion and Recommendations

The purpose of this Future Directions Plan is to analyse the challenges, risks and opportunities which exist for UTAS stadium and to make recommendations on the future directions which will enable the stadium to continue acting as a major community and economic driver for Launceston, the greater Northern region and the State.

UTAS Stadium is approaching a pivotal period for its future as a number of factors are converging to cause the CoL to reflect and review the future ownership and governance structures of the stadium together with its future development needs. As a Tier 2 stadium owner, the CoL is having to compete with increased fan expectations, an increased security environment and the higher standards and expectations required to attract and retain major events, which is serving to create a challenging operating environment.

The Future Directions Plan has examined and outlined the substantial future capital investment required in the stadium's facilities and assets and also those which are required to ensure the venue remains contemporary and existing standards are maintained and enhanced. It has also been clearly demonstrated that if the stadium were to stay in Local Government ownership this level of investment is unachievable. The KPMG review of ownership structure of UTAS Stadium identified that "... The stadium is currently a net financial burden on the Council and Council is not in a position to be able to make significant capital upgrades to the venue, particularly if Tasmania is successful in securing a permanent AFL license."

The Future Directions Plan has concluded that it would be in the best interests of the stakeholders for the Stadium to be transferred to the Tasmanian Government through the creation of the York Park Trust. Such a transfer would include the stadium itself, Invermay Park, the balance of the Old Bike Track site, all assets associated with the maintenance and operation of the facilities/land as well as the existing employees. The Plan outlines the basis on which these discussions should be progressed with the State Government, which not only includes the specific discussions around the ownership and governance of UTAS Stadium, but as part of the broader State Stadia Strategy which is proposed to be developed.

As a result of the analysis and research which has been undertaken in its preparation, the Future Directions Plan makes the following recommendations:

1. That the Council endorses the Future Direction Plan - York Park (UTAS Stadium) 2021.

2. That the Council develop a Strategic Development Plan for UTAS Stadium which details all required future capital works and investment required for the facility and which is consistent with the York Park Masterplan and the York Park Future Direction Plan to increase UTAS Stadium seating capacity to 27,500.

3. That the Council work with the State Government to complete a business case for the development of a new community-based indoor entertainment and sporting facility on the Old Bike Track site, together with the redevelopment of the Southern Terrace and a section of the Western Stand. The indoor facility will provide:

- (at least) three (3) courts to enable a broad range of uses as possible;
- a show court which would include retractable seating and social facilities to accommodate higher level basketball, netball and other sporting events and concerts accommodating up to 5000 people;
- include indoor training and recovery spaces which would be utilised across a range of athletes from AFL, basketball, cricket (etc) and which would be capable of accommodating local clubs and athletes through the professional sporting clubs and athletes such as AFL clubs, NBL clubs, Cricket Tasmania, NBL1 clubs, TFL clubs (etc);
- functional and flexible space for social, cultural and educational initiatives and programs; and
- improved infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the venue with commercial opportunities utilising the frontage to Invermay Road.

4. That the Council actively seek to lobby both the State and Federal governments to include the project as a City Deal project along with the necessary funding.

5. That the Council engage with the Tasmanian State Government to transfer the ownership of the York Park stadium* for \$1.00 through the creation of a Stadiums Trust. (*including the stadium itself, Invermay Park, the balance of the Old Bike Track site, all assets associated with the maintenance and operation of the facilities/land as well as the existing employees).

6. That the Council actively work with the State Government in the proposed development of a State Stadia Strategy.

7. If recommendations 1 to 6 are successfully delivered, work with the State Government to deliver the redevelopment of UTAS Stadium as outlined in the Future Directions Plan - York Park (UTAS Stadium) 2021.

An indicative timeframe for the implementation of these recommendations is shown in the following table.

Future Direction Plan York Park (UTAS Stadium) 2021

Indicative Implementation Plan

	Action	Timeline
That the Council develop a Strategic Development Plan for UTAS Stadium, which details all required future capital works and investment required for the facility and which is consistent with the York Park Masterplan 2016 and the York Park Future Direction Plan to increase UTAS Stadium seating capacity to 27,500.	<ul style="list-style-type: none"> Strategic Development Plan Completion 	<ul style="list-style-type: none"> March 2021
That the Council complete a business case for the development of a new community-based indoor facility on the Old Bike Track site, together with the redevelopment of the Southern Terrace and a section of the Western Stand.	<ul style="list-style-type: none"> EOI Business Case EOI Business Case Appointment Business Case Completion 	<ul style="list-style-type: none"> August 2021 September 2021 December 2021
Actively seek to lobby both the State and Federal Governments to include the project as a City Deal project along with the necessary funding.	<ul style="list-style-type: none"> Lobby State and Federal Governments 	<ul style="list-style-type: none"> Upon Council approval of FDP
Council engage with the State Government to transfer the ownership of the York Park stadium through the creation of the York Park Trust.	<ul style="list-style-type: none"> Engage and present case to the Tasmanian Government for the development of a York Park Trust 	<ul style="list-style-type: none"> March 2021
That the Council actively work with the State Government in the proposed development of a State Stadium Strategy	<ul style="list-style-type: none"> As part of the engagement to establish the York Park Trust introduce broader dialogue relating to a Tasmanian Stadium Strategy 	<ul style="list-style-type: none"> March 2021



APPENDIX 1: CITY OF LAUNCESTON
YORK PARK MASTER PLAN

Gemba

**CITY OF LAUNCESTON
YORK PARK MASTER PLAN
FINAL REPORT**

14 JANUARY 2016



THE MASTER PLAN SETS THE FUTURE STRATEGIC DIRECTION FOR PLANNING AND DEVELOPMENT OF YORK PARK OVER THE NEXT 15 YEARS

THE MASTER PLAN PROVIDES THE CITY OF LAUNCESTON WITH A CLEAR UNDERSTANDING OF THE OPPORTUNITIES AND FUTURE DEVELOPMENT PRIORITIES FOR THE VENUE

EXECUTIVE SUMMARY (PAGE 1 OF 4)

BACKGROUND

- York Park ('the Venue') with a capacity of 21,000, is situated within the Inveresk and York Park Precinct and is the largest established sports and entertainment venue in Tasmania. The Venue is owned by City of Launceston ('Council') and operated by a controlling authority of Council, the York Park and Inveresk Precinct Authority ('YPIPA')
- The Venue has been progressively developed over the last 10 years and consists of permanent and temporary stands that include a mixture of match day, administration and training facilities
- To ensure York Park remains contemporary, continues to attract major events and delivers social and economic benefits to the region, Council has undertaken a Master Plan process to set the future strategic direction for the development of the Venue over the next 15 years
- The Master Planning process comprised: setting of objectives, stakeholder consultation, industry benchmarking, identification of development opportunities, development of Master Plan options and implementation guidance

OBJECTIVES

- Strategic Objectives for York Park were developed by the Project Steering Group (comprising representatives of Council) to guide the preparation of the Master Plan:
 1. **Economic** – Deliver economic and social yield to the region
 2. **Events** – Provide a high quality, flexible venue that can attract and host a diverse range of events, catering to users, fans and the community
 3. **Business Development** – Increase activation and develop business within the precinct
 4. **Innovation** – Be a place of innovation, through business, high performance sport and academic programs
 5. **Engagement** – Assist in the development of local and regional partnerships with government, business and the community

EXECUTIVE SUMMARY (PAGE 2 OF 4)

STAKEHOLDER CONSULTATION

- Consultation with stakeholders identified six key themes that have been considered as part of the Master Plan:
 1. Increasing annual content and activation
 2. Increasing community access
 3. Targeting specific infrastructure developments to assist in the attraction of events
 4. Improving the fan experience (focusing on amenities, concessions and hospitality product offer)
 5. Developing a 'Sports House' (office and administration space for sports organisations)
 6. Positioning the Venue and precinct as an integrated sporting and health precinct (specifically focused on athlete development, sports science and allied health)
- The stakeholder consultation also identified a number of event opportunities for York Park. However based on these discussions and an assessment of events, the likelihood of York Park attracting these events is generally limited
- The University of Tasmania (UTAS) is currently investigating the potential to build additional University facilities in the Inveresk and York Park Precinct, which presents an opportunity for Council to partner with UTAS to deliver integrated facilities that benefit both organisations and the community

INDUSTRY TRENDS & BENCHMARKS

- Relevant stadia trends and benchmarks were identified and considered as part of the Master Plan:
 - **Precinct Activation** – Creating active precincts around stadiums (i.e. multi-tenant and multi-use facilities, co-location of other community / commercial assets, “Live” sites for fans and the community etc.)
 - **Enhancing the Fan Experience** – Enhancing consumer comfort, convenience and choice at stadiums (i.e. hospitality product variety, multiple unique fan zones, high quality technology etc.)
- The Master Plan also considered relevant trends and benchmarks related to high performance facilities:
 - **Integrated High Performance Facilities** – Integrating high performance facilities with community facilities, education and learning spaces, athlete pathway facilities and medical and health related services
 - **Universities and Elite Team Partnerships** – Partnerships between universities and elite sporting teams in the development of high performance facilities to deliver joint outcomes

EXECUTIVE SUMMARY (PAGE 3 OF 4)

DEVELOPMENT OPPORTUNITIES

- Based on the Master Plan objectives, industry trends and benchmarks, and the findings of the stakeholder consultations, development opportunities for the Venue and immediate Precinct were identified, categorised and prioritised:

	1 STADIUM	2 COMMUNITY	3 HIGH PERFORMANCE	4 COMMERCIAL
DESCRIPTION	Upgraded stadium infrastructure that meets the requirements of sports, assists in the attraction of events and incorporates modern day facilities for spectators and players	Facilities that can be utilised by the community and support community programs across social, cultural, education and health initiatives	High performance training, administration, education and research facilities to support high performance athletes, development athletes and academy teams, with a primary focus on Australian Rules Football	Infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the Venue
OPPORTUNITIES	<ol style="list-style-type: none"> Improvements to stadium infrastructure Improvements to stadium amenity Oval redevelopment Upgraded broadcast and media facilities for cricket Turf practice wickets 	<ol style="list-style-type: none"> Indoor sports facility 'Sports House' Community recreation amenities 	<ol style="list-style-type: none"> Sports science education and research facilities High performance training facility Recovery facilities Class rooms / lecture facilities / media conference room 	<ol style="list-style-type: none"> Commercial health development Café Retail shops

- An assessment against the Master Plan objectives identified that the High Performance development opportunities should be prioritised. The High Performance opportunities are likely to be innovative and increase activation. The Community and Commercial development opportunities are expected to develop business, activation and engagement within the Precinct (albeit are a lower priority)
- To ensure the Venue remains contemporary and existing standards are maintained and enhanced, specific Stadium development opportunities (i.e. improvements to stadium infrastructure, amenity, concession and concourse and oval redevelopment) are fundamental considerations for the Master Plan

EXECUTIVE SUMMARY (PAGE 4 OF 4)

MASTER PLAN OPTIONS

- Three Master Plan options were considered:
 1. **Extensive** – Focused on the provision of all development opportunities identified, providing Stadium, Community, High Performance and Commercial outcomes
 2. **Intermediate** – Focused on providing Stadium, Community and High Performance outcomes based on the priority development opportunities in each category
 3. **Base Case** – Focused on the provision of High Performance, as well as selected improvements to stadium infrastructure and amenity
- The Intermediate Option was determined to be the preferred Master Plan option as it will achieve the overall objectives of the Master Plan at a feasible capital cost for Council. The indicative capital cost of this option is \$40m

STAGING

- The Master Plan could be staged over a 15 year period to allow for greater funding and operational flexibility:
 - **Stage 1 (0 to 5 years)** – The replacement of Southern Terrace inclusive of the High Performance development, improvements to stadium amenity, concession and concourse and oval redevelopment (indicative cost of ~\$26m)
 - **Stage 2 (5 to 10 years)** – Replacement of the Northern Terrace, upgraded RACT Railway Workers Hill and refurbishment of the Eastern Terrace (indicative cost of ~\$9m)
 - **Stage 3 (10 to 15 years)** – Community development including indoor sports facility, 'Sports House' and community recreation amenities (indicative cost of ~\$5m)
- It is recommended that Council pursue an integrated investment model with key stakeholders, with UTAS, Tasmanian Government, Federal Government and the AFL incorporated

IMPLEMENTATION

- The immediate next steps to progress the Master Plan are: 1) endorse the preferred Master Plan option and staging; 2) develop Master Plan concepts and cost plan; and 3) commence detailed project scoping for Stage 1 (including engagement with UTAS)

- 1 INTRODUCTION & APPROACH
- 2 EXISTING SITUATION
- 3 INDUSTRY TRENDS & BENCHMARKS
- 4 STAKEHOLDER ANALYSIS & KEY THEMES
- 5 DEVELOPMENT OPPORTUNITIES
- 6 MASTER PLAN OPTIONS
- 7 IMPLEMENTATION PLAN
- 8 APPENDICES

1 INTRODUCTION & APPROACH



CITY OF LAUNCESTON ARE PREPARING A MASTER PLAN THAT SETS THE FUTURE STRATEGIC DIRECTION FOR YORK PARK

BACKGROUND AND CONTEXT

BACKGROUND

- York Park ('the Venue') is situated in Northern Tasmania. The Venue is owned by City of Launceston ('Council') and operated by a controlling authority of Council, the York Park and Inveresk Precinct Authority ('YPIPA')
- Council wishes to develop a Master Plan that sets the future strategic direction for the development of the Venue
- Planning for the future development must include the efficient and effective utilisation of facilities in a manner that delivers local social and economic benefits
- The identification of future major event usage is considered fundamental to underpinning any capital investment
- Utilisation of the facilities will provide the business case for the recurrent costs of maintaining the Venue at high quality contemporary standards
- Council engaged Gemba to assist with the preparation of a Master Plan

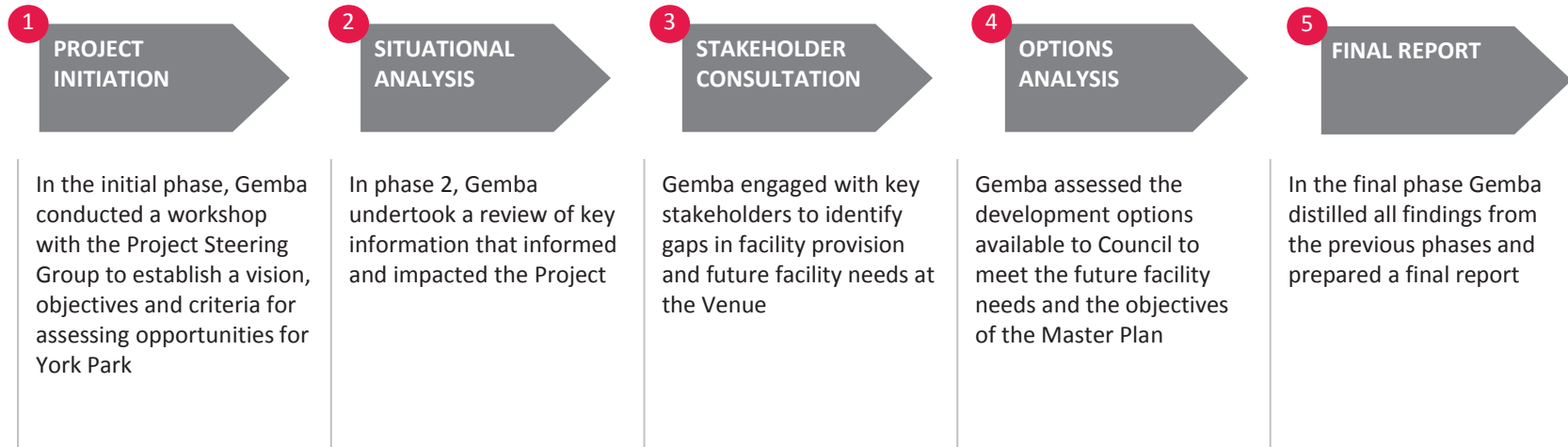
THE PROJECT

The key objectives of the Master Plan project ('the Project') are:

1. Establish/confirm Council's key objectives and development priorities for the Venue
2. Align key stakeholders on the key objectives and development priorities for the Venue
3. Identify relevant benchmarks and trends in development of contemporary stadia and precincts
4. Identify event opportunities to increase the utilisation of the Venue
5. Identify, assess and prioritise development options for the Venue
6. Identify funding opportunities and the most appropriate funding model/s for development options
7. Develop a plan (with key stakeholders) for the future development of the Venue over the next 15 years

TO DEVELOP A MASTER PLAN FOR YORK PARK, A PHASED APPROACH WAS ADOPTED

APPROACH OVERVIEW



A VISION AND STRATEGIC OBJECTIVES FOR YORK PARK HAVE BEEN DEVELOPED TO GUIDE THE FORMING OF THE MASTER PLAN

YORK PARK VISION AND STRATEGIC OBJECTIVES

The Project Steering Group developed the following vision for York Park “...*a high standard, flexible and user friendly venue precinct that delivers community engagement, and economic and social yield.*”

In addition, the following strategic objectives were developed to guide the preparation of the Master Plan:

- 1 ECONOMIC** – Deliver economic and social yield to the region
- 2 EVENTS** – Provide a high quality, flexible venue that can attract and host a diverse range of events, catering to users, fans and the community
- 3 BUSINESS DEVELOPMENT** – Increase activation and develop business within the precinct
- 4 INNOVATION** – Be a place of innovation, through business, high performance sport and academic programs
- 5 ENGAGEMENT** – Assist in the development of local and regional partnerships with government, business and the community

BASIS OF PREPARATION AND LIMITATIONS OF INFORMATION

- Data and information contained in this document was obtained by Gemba from City of Launceston, desktop research and interviews with stakeholders. Gemba has not taken steps to verify the accuracy of this information
- Development opportunities outlined in this document are based on the Master Plan objectives, industry trends and benchmarks, and the findings of the stakeholder consultations. Detailed scoping and functional briefs were not prepared for any of the development opportunities
- Indicative capital cost estimates outlined in this document have been prepared based on an assumed scope, the capital costs of benchmarked facilities, and industry rates. Where possible, Gemba has tested these indicative capital costs with a third party quantity surveyor
- No spatial analysis or on site feasibility was conducted as part of this Project. Spatial allowances are outlined in this document for indicative purposes only. Further planning, scoping and briefing would be required, including concept plans and massing diagrams
- Due to the preliminary nature of the Project, Gemba was required to make a number of assumptions. In relation to these assumptions, actual results may be different to these assumptions because events and circumstances frequently do not occur as expected, and those differences may be material. Gemba can give no assurance as to whether, or how closely, the actual outcomes will correspond to the assumptions
- This document has been produced for a specific point in time, and circumstances may change in the future which result in the findings of the Project no longer being relevant

2 EXISTING SITUATION



THERE IS AN OPPORTUNITY FOR COUNCIL TO PARTNER WITH THE UNIVERSITY OF TASMANIA TO DELIVER INTEGRATED FACILITIES

KEY FINDINGS OF THIS SECTION

- York Park, with a capacity of 21,000, is situated within the Inveresk and York Park Precinct and is the largest established sports and entertainment venue in Tasmania. The Venue has been progressively developed over the last 17 years and consists of permanent and temporary stands that include a mixture of match day, administration and training facilities
- York Park is primarily used as an Australian Rules football venue, with its premier events being Hawthorn Football Club's one pre season and four AFL Premiership matches each year
- Council has a desire to attract more events to the Venue, however this has proved difficult in the past due to the lack of available content, travel costs and logistics (given proximity to Australian mainland, venue specifications (i.e. oval not rectangle) and lack of community demand
- The University of Tasmania is currently investigating the potential to build additional University facilities in the Inveresk and York Park Precinct and presents an opportunity for Council to partner with the University to deliver and integrate facilities that benefit both organisations and the community

THERE ARE SIX KEY TOPICS SUMMISING THE EXISTING SITUATION OF YORK PARK

EXISTING SITUATION OVERVIEW

- 1 York Park Overview** – Provides a high level overview of York Park, including its location, zoning and purpose
- 2 Stands & Facilities** – Provides a summary of the key stands and facilities at York Park and outlines their current purpose
- 3 Lease / License Overview** – Outlines the existing tenants and users of the Inveresk and York Park Precinct
- 4 Event & Usage Profile** – Documents the history of events at York Park and outlines a typical annual usage profile
- 5 York Park Financials** – Illustrates the income generated, the maintenance costs and the financial position of York Park for the financial year ending 30 June 2015
- 6 Demographics & Planning Considerations** – Discusses the demographics of Launceston, and key planning considerations including the Inveresk Master Plan and the University of Tasmania Inner City Campus


YORK PARK IS SITUATED WITHIN THE INVERESK AND YORK PARK PRECINCT


YORK PARK OVERVIEW

- York Park is situated within the Inveresk and York Park Precinct (“the Precinct”) in Launceston, located just over 1km from the Launceston CBD
- The Precinct is owned by the City of Launceston and zoned as Particular Purpose. The Zone Purpose Statement includes the re-use and redevelopment of the zone for a range of cultural, educational, recreational and public purpose uses
- The Precinct contains four local area precincts, including a Recreational and Leisure Precinct that has the objective to provide a range of sporting and recreational facilities including York Park and Invermay Park
- York Park, with a capacity of 21,000, is the largest established venue in Tasmania. The Venue hosts regular sporting and entertainment events including Hawthorn Football Club pre-season and AFL Premiership matches
- The Venue is also home to the North Launceston Football Club whilst Hawthorn Football Club and AFL Tasmania occupy administration space within the Venue
- There is a Flood Inundation Area Code which applies to the Precinct and relates to reducing the impact of flooding for new development



Photo: Inveresk and York Park Precinct aerial

 York Park

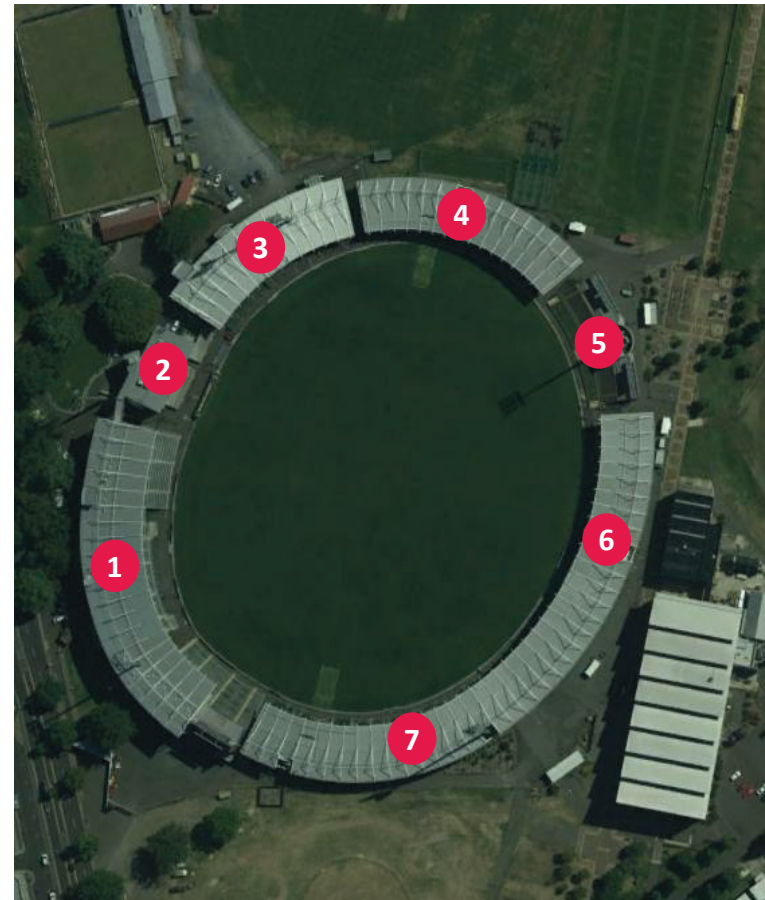
 Inveresk and York Park Precinct

YORK PARK IS MADE UP OF SEVEN MAJOR COMPONENTS, INCLUDING MATCH DAY, ADMINISTRATION AND TRAINING FACILITIES

STANDS & FACILITIES

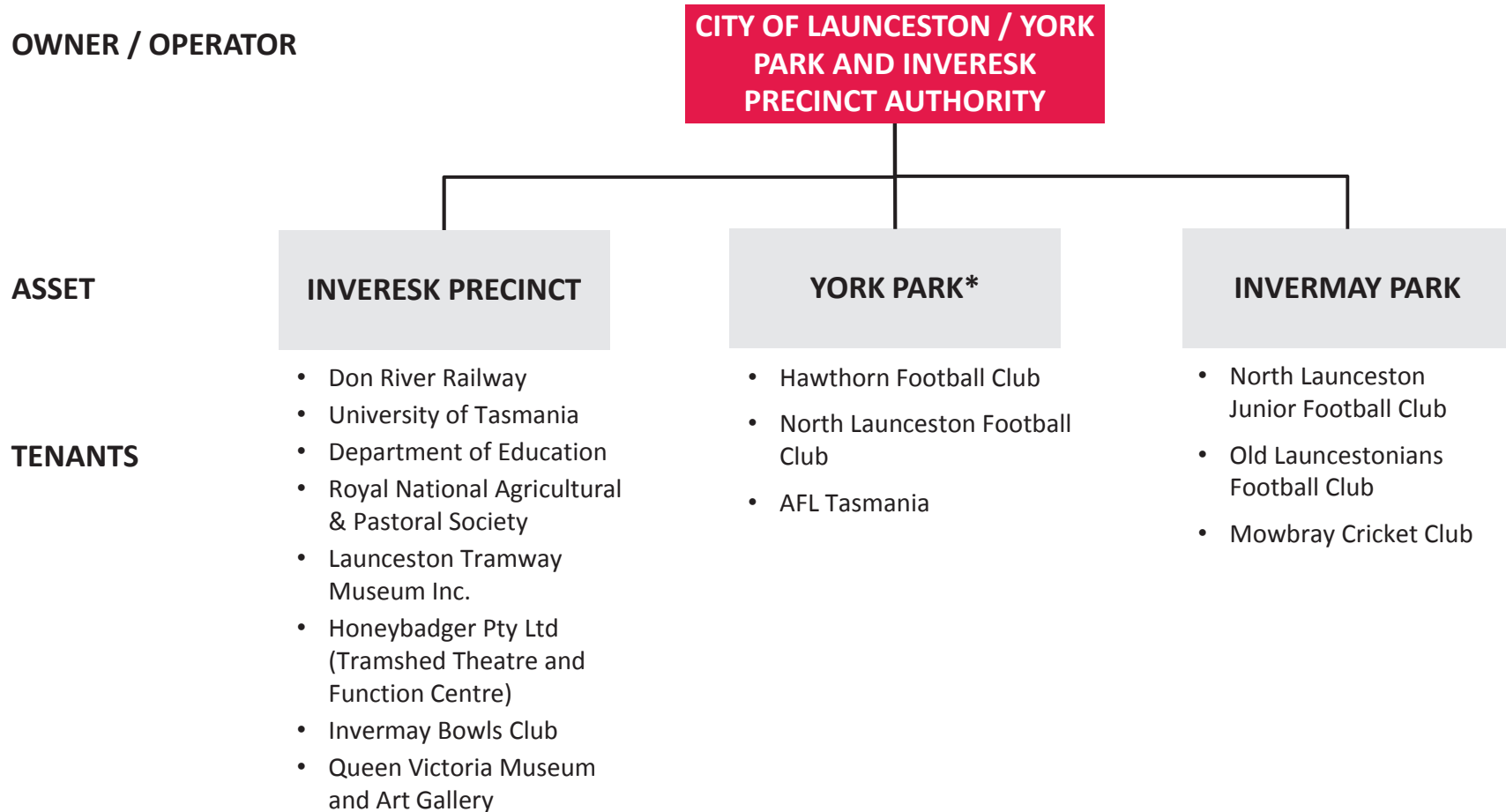
The major stands and facilities at York Park include a mixture of match day (21,000 capacity), administration and training facilities, including:

- 1 RACT Stand** – Completed in 2005 and has a capacity of approximately 5,000. The RACT Stand houses two AFL change rooms, a 250 person function room, corporate suites, coaches rooms, media facilities, venue operations room, timekeepers room and a production room. The media facilities are used by AFL Tasmania as office space during non event days
- 2 Aurora Function Centre** – Built in 2004 and consists of change rooms and gym on the ground level, the North Launceston Football Club Social Club on level one and a function room (230 seated capacity) on level two
- 3 Carlton Draught Stand** – Built in 2010 with a capacity of approximately 2,000. Facilities consist of an AFL change room, umpires change room, reception and board room for Hawthorn Football Club, corporate suites and three radio boxes
- 4 Northern Terrace** – Temporary stand and consists of approximately 2,000 seats
- 5 RACT Railway Workers Hill** – A small uncovered stand that was upgraded in 2010 and consists of General Admission area
- 6 Eastern Terrace** – Temporary stand and consists of approximately 1,700 seats
- 7 Southern Terrace** – Temporary stand and consists of approximately 2,200 seats



THERE ARE A NUMBER OF TENANTS THAT UTILISE THE INVERESK AND YORK PARK PRECINCT

INVERESK AND YORK PARK PRECINCT TENANTS



*Telstra, Optus and Tas Communications also have agreements at York Park related to communication towers. Specific details of all lease / license agreements can be found in Appendix A

YORK PARK IS PRIMARILY USED FOR AUSTRALIAN RULES FOOTBALL MATCHES AND OVERALL UTILISATION IS INCREASING

EVENT & USAGE PROFILE

- York Park is Northern Tasmania's premier venue, and hosts sport, entertainment and community events throughout the year
- Utilisation of the Venue is increasing. In 2015, the Venue hosted 89 event days compared to 63 event days in 2014 and 62 event days in 2013
- The majority of events held at York Park relate to Australian Rules Football. The State Government has an agreement with Hawthorn Football Club to play one pre season and four AFL Premiership matches per year at the Venue until 2021. In addition, the Venue hosts Australian Rules matches and training relating to the Tasmania State League (TSL), AFL Tasmania academies, masters, junior clubs, and both high school and primary school teams
- Other events held at the Venue include community and exhibition cricket matches, the Launceston Show, fun runs, and classic car, camping and leisure shows
- Council has a desire to attract more events to the Venue, however this has proved difficult in the past due to the lack of available content, travel costs and logistics (given proximity to the Australian mainland), venue specifications (i.e. oval not rectangle) and lack of community demand

*Details of events and event days can be found in the appendix



York Park held 89 event days in 2015, with the majority relating to Australian Rules Football matches

Council has a desire to attract more events to York Park however have faced numerous barriers in trying to do so

YORK PARK OPERATED AT A NET LOSS OF JUST UNDER \$1.4M IN THE 2015 FINANCIAL YEAR

YORK PARK FINANCIALS (FY15)*

FACILITY AND ITEM	AMOUNT
REVENUES	
Rental	\$175,000
Sponsorship	\$425,000
Event Day	\$425,000
Commission	\$20,000
Miscellaneous	\$1,000
Reimbursements	\$2,000
Total Revenues	\$1,048,000
EXPENSES	
Labour	\$505,000
Facilities Maintenance	\$1,455,000
Operational	\$161,000
Event Day	\$325,000
Total Expenses	\$2,446,000
YORK PARK NET RESULT	(\$1,398,000)

Source: City of Launceston

*Based on York Park and Inveresk Precinct Authority 2014-15 financial statements with 80% of total labour costs being attributed to York Park. An overview of the operational and commercial arrangements in place at York Park can be found in Appendix B



The bulk of revenue is derived from sponsorship and events

The vast majority of expenditure was spent on the maintenance of facilities followed by labour

AN INVERESK MASTER PLAN WAS DEVELOPED IN 2005 SUPPORTING THE CONTINUED DEVELOPMENT OF YORK PARK

DEMOGRAPHICS & PLANNING CONSIDERATIONS

- The Inveresk and York Park Precinct is seen as an integral element in the strategic future of Launceston, having a major focus on the arts, education, tourism and recreation. The facilities and the uses at the Precinct are seen as important anchors for activity within the central area of Launceston
- In 2005, Council developed the Inveresk Master Plan to guide the overall development for the Inveresk and York Park Precinct and ensure that any development would respect and enhance the values and qualities of the existing spaces and structures whilst also addressing its larger urban context
- The outcome of the Master Plan recommended a number of changes to the Launceston Planning Scheme 1996, however did not suggest any changes to the zone precincts, with York Park remaining in the Recreational and Leisure zone with the objective to provide a range of sporting and recreational facilities adjacent to York Park
- The Master Plan supported the continued development of York Park as a major event venue. It also recommended improved entrances to the eastern side of York Park to formalise the links from the Venue to the centre of the site

Source: City of Launceston, Inveresk Master Plan 2005



The Inveresk Master Plan supports the continued development of York Park as a major event venue

Specifically, the Master Plan recommended improved entrances to the eastern side of York Park

THERE IS AN OPPORTUNITY FOR COUNCIL AND UTAS TO DEVELOP FACILITIES THAT BENEFIT THE UNIVERSITY, VENUE AND COMMUNITY

DEMOGRAPHICS & PLANNING CONSIDERATIONS

- UTAS has a campus located in the Launceston suburb of Newnham, approximately 15 minutes from the Launceston CBD
- UTAS also has a satellite campus located in the Inveresk and York Park Precinct that features Schools' of Visual and Performing Arts and Architecture and Design
- UTAS is currently investigating the potential to relocate some services from the Newnham campus to the Precinct. This would involve the redevelopment of the current UTAS facilities in the Precinct as well as the building of additional facilities
- The new and upgraded facilities would cater for approximately 5,000 to 10,000 additional students and 500 to 1,000 additional staff
- The new facilities are likely to include an Arts, Business, Law and Education learning and research precinct, a Science, Technology and Health learning and research precinct, and an accommodation precinct
- There is an opportunity for Council to form a partnership with UTAS to ensure that there is an integration of facilities that could benefit both organisations (i.e. high performance facilities with research and testing capabilities) and the Community

Source: UTAS and stakeholder consultations



UTAS is currently investigating the potential to build additional University facilities in the Inveresk and York Park Precinct

The proposed facilities would cater for approximately 5,000 to 10,000 additional students and 500 to 1,000 additional staff

THE POPULATION OF LAUNCESTON IS APPROXIMATELY 67,000 AND IS AGEING AND RELATIVELY STATIC

DEMOGRAPHICS & PLANNING CONSIDERATIONS

- Launceston has a population of approximately 67,000 and is the education, tourism, medical and business service hub for Northern Tasmania. The population of Launceston has remained steady for the last decade
- The Launceston region, and Tasmania in general, have relatively low demographic diversity in comparison to the mainland states
- Launceston has an ageing population, with approximately 66% of the population over 25 years of age. In addition, over 83% of the Launceston population were born in Australia. Launceston is also experiencing the out-migration of the young adult and family forming age groups
- Health Care and Social Assistance (13.0%), Retail Trade (12.4%) and Education and Training (10.2%) are the three highest sectors of employment for the Launceston population
- Council forecasts that there will be likely on-going growth of business services in the Launceston economy. In addition, the industrial sector is expected to slow, with a need for selected niche employment and industry nodes. This, in conjunction with the large employment base in Health Care, Retail and Education, may provide an opportunity to target specific community and commercial developments inclusive of sport, recreation, health and education facilities at York Park

Source: ABS, City of Launceston



Launceston has relatively low demographic diversity in comparison to mainland Australia

Health Care and Social Assistance, Retail Trade, and Education and Training are the three highest sectors of employment in Launceston

3 INDUSTRY TRENDS & BENCHMARKS



CURRENT TRENDS AND MARKET BENCHMARKS ARE IMPORTANT CONSIDERATIONS OF THE MASTER PLAN

KEY FINDINGS OF THIS SECTION

- A growing trend in stadium planning and development has been the activation of stadium precincts and a focus on non-event day revenue. This has included multi-tenant and multi-use stadiums and co-locating other community / commercial assets within stadium precincts
- Consumer expectations are increasing in a highly competitive sports and entertainment market, leading to increased comfort at stadiums (i.e. premium seat size and shape) and greater choices for consumers (i.e. premium hospitality products, including gourmet food & beverage offering)
- To attract government funding, professional sporting teams are now developing integrated high performance facilities that include community facilities (i.e. gymnasiums, indoor courts), education and learning spaces, player pathway facilities and medical and health related services
- To improve the attractiveness of their sport and health science courses and faculty facilities, there is a recent trend of universities partnering with professional teams in the development of high performance facilities
- A market analysis highlights that venue redevelopments generally occur in stages over time, with funding sourced from all levels of government and contributions from sporting bodies and clubs. In addition, some venues have recently developed cricket specific infrastructure to assist in attracting events

STADIUMS ARE CONTINUING TO EVOLVE AND A RANGE OF TRENDS AND INNOVATION IS BEING SEEN

STADIUM INDUSTRY TRENDS

Evolution in stadia across the world has been driven by a number of factors, with a recent focus on non-event day activation and consumer comfort, convenience and choice. These factors are leading to trends and innovation in stadium planning and development which include:

- 1 Precinct activation
- 2 Enhancing the fan experience

These trends are outlined in further detail in the following pages.

ACTIVATION OF THE PRECINCT SURROUNDING A STADIUM IMPROVES ITS CONNECTION WITH THE COMMUNITY

PRECINCT ACTIVATION

- Over the past 10 years, a growing trend has been a focus on creating active precincts around stadiums
- Creating active precincts not only creates additional atmosphere and improves the fan experience on match day, but they also improve the utilisation of the stadium on non-event days and provide greater connectivity between elite sport and the community
- Activation of the precinct can be achieved through numerous methods including:
 - Providing a multi-tenant and multi-use stadium
 - Inclusion of administration and training facilities for sporting teams and bodies
 - The design of “meeting and social places” and “themed hubs” within the stadium and precinct
 - “Live” sites for fans and the community to gather to interact and watch sporting or entertainment events
 - Co-locating other community / commercial assets i.e. retail, arts and leisure, and education within the precinct
 - New uses of existing infrastructure

Precinct Activation

Activation of the precinct surrounding a stadium improves fan experiences, increases utilisation on non-event days and generates connections with the community



THE AAMI PARK SPORTS CAMPUS IS AN EXAMPLE OF A MULTI SPORT, MULTI TENANT PRECINCT

CASE STUDY: AAMI PARK



Built

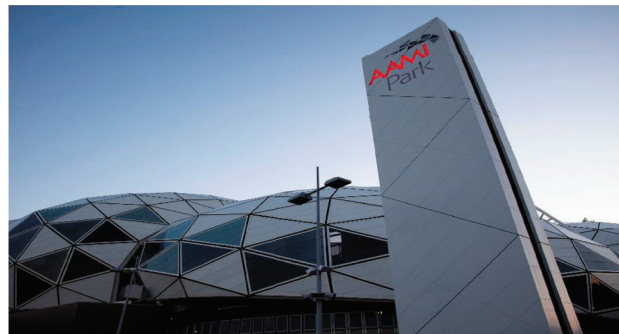
2010

Cost

AUD \$270m

Key Components

- 30,000 seat stadium
- Elite training facilities including a gym, indoor running track, boxing ring, theatre, player lounge, pool, aquatic recovery, and multiple training fields
- Administration space for sporting organisations
- A public café that also services tenants and the public
- Sports medicine clinic including physiotherapy, imaging and nutrition



Key Learnings & Relevance

- A sports precinct containing stadium, training and administration facilities, and sports medicine
- Co-existence of multiple sports organisations and teams, sharing facilities including pool, gym, lecture / media room and player lounge
- Commercial services (sports medicine, café, high performance training facilities) that are utilised outside of event days

IMPROVING THE FAN EXPERIENCE IS LEADING TO BETTER STADIUM DESIGNS AND ADVANCES IN SERVICE AND PRODUCT OFFER

ENHANCING THE FAN EXPERIENCE

- Evolution in stadia across the world has been driven by a number of factors, with a recent focus on fan experience. Consumer expectations are increasing in a highly competitive sports and entertainment market
- To combat these evolving consumer behaviours, stadia developments have sought to enhance the user experience with stadiums providing premium seating and product offerings, and generating secondary and tertiary spend
- Fan experience and engagement are important aspirations for any stadium in order to compete against other leisure pursuits. As such, improvement in service and choice is vital
- Recent AFL stadia projects have introduced American National Football League stadia trends to Australia in areas of design, premium offers, and fan experience. These trends include features such as:
 - Providing consumer comforts and convenience (i.e. premium seat size and shape, quick and efficient services)
 - Offering variety in hospitality products (i.e. inner sanctum experiences, gourmet food & beverage offering)
 - The inclusion of multiple unique fan zones and themed hubs (i.e. BBQ deck, breweries and terrace bars)
 - Ensuring high quality technology (i.e. video boards, Wi-Fi connectivity)

Fan Experience

The evolution in stadia standards in recent years has been driven by a need to enhance the fan experience, leading to improved consumer comfort, convenience and choice



METRICON STADIUM OFFERS INNOVATIVE CORPORATE HOSPITALITY OFFERINGS AND A PREMIUM FAN EXPERIENCE

CASE STUDY: METRICON STADIUM



Built

2011*

Cost

AUD \$144m

*complete redevelopment of old Carrara Stadium

Key Components

- 25,000 seat stadium
- Designed on the traditions of 'footy in the park' which offers spectators some of the best sightlines of any Australian stadium
- Premium product offering including Coaches Field Club with viewing access to warm-up area, players' race and team bench and Virgin Australia Lounge with premier stadium seating, an outdoor deck, a gourmet food service and a feature bar



Key Learnings & Relevance

- Purpose built stadium designed with a focus on providing a high quality fan experience
- High standard and variety of corporate hospitality options and premium product offers providing a new dimension to the live game experience
- The stadium has been voted No.1 for fan experience in the AFL

IN ADDITION TO STADIA TRENDS, TWO RELEVANT TRENDS RELATING TO HIGH PERFORMANCE FACILITIES HAVE BEEN IDENTIFIED

HIGH PERFORMANCE FACILITY INDUSTRY TRENDS

Across Australia, the high performance training environment is continuing to evolve. Sports organisations are now undertaking strategic planning that considers high performance training needs as well as a much wider agenda including player pathway, education, sports medicine and other community services. This approach is leading to trends and innovation in high performance facility planning and development, which includes:

1 Integrated high performance facilities

2 University and elite team partnerships

These trends are outlined in further detail in the following pages.

THERE IS A GROWING TREND OF INTEGRATING HIGH PERFORMANCE AND COMMUNITY SPORTS FACILITIES

INTEGRATED HIGH PERFORMANCE FACILITIES

- Across Melbourne, many AFL clubs now operate in modern high performance centres that include community facilities (i.e. gymnasiums, indoor courts), education and learning spaces, player pathway facilities and medical and health related services
- This integration is now being adopted in the high performance training planning process by interstate AFL clubs as well as other sporting codes such as NRL, A-League and Super Rugby
- Further, local and state governments are planning and developing these integrated facilities with a focus on developing athletes in Olympic and second tier sports
- All levels of government consider this to be a much more sustainable approach, and one that achieves multiple policy outcomes
- Fundamental to the success of these facilities is a shared commitment and appreciation of stakeholder outcomes

Integrated High Performance Facilities

The high performance training environment is continuing to evolve with a renewed focus on development athletes and teams, education and the community



THE MICHAEL LONG LEARNING AND LEADERSHIP CENTRE SERVICES ELITE AND DEVELOPMENT ATHLETES AND THE COMMUNITY

CASE STUDY: MICHAEL LONG LEARNING AND LEADERSHIP CENTRE



Built

2015

Cost

\$15m

Key Components

- A 2,300 square-metre facility located at TIO Stadium that incorporates a learning area, gym, lap pool, rehabilitation pool and spa, education space, music and arts space, function rooms, a lecture theatre, dining room and kitchen, change rooms, medical facilities, coaching facilities and office space
- Also includes accommodation for up to 32 remote students and secondary accommodation for elite sporting teams and development squads



Key Learnings & Relevance

- Provides a new pathway for young indigenous Territorians to learn through sport
- Due to its location and integration at TIO Stadium, the facility has improved the appeal of the overall precinct and helps attract events
- The facility services a previously unmet need for accommodation for AFL Development teams in the area

UNIVERSITIES ARE PARTNERING WITH PROFESSIONAL TEAMS IN THE DEVELOPMENT OF SPORT AND RECREATION FACILITIES

UNIVERSITY AND ELITE TEAM PARTNERSHIPS

- Universities have long provided sport and recreation facilities for their students, however these institutions are now looking for new avenues of funding and innovation found in partnerships
- More recently, there has been a trend in partnerships between universities and elite sporting teams. Fremantle Dockers Football Club and Curtin University is an example, as is the University of Canberra with ACT Brumbies Rugby. These facility developments also comprise facilities accessible by the community
- Universities are using these sporting partnerships as a means to improve the attractiveness of their sport and health science courses and faculty facilities
- Federal and state governments are also seeing these partnerships as opportunities to achieve multiple policy outcomes

Universities and Elite Team Partnerships

Universities are using sports facilities and partnerships as a strategy to improve and increase the profile and brand of their sport and health science related courses, leading to increased demand from the student market



**UNIVERSITY OF
CANBERRA**



Curtin University

THE ACT BRUMBIES DEVELOPED A HIGH PERFORMANCE TRAINING FACILITY IN PARTNERSHIP WITH THE UNIVERSITY OF CANBERRA

CASE STUDY: ACT BRUMBIES HIGH PERFORMANCE FACILITY



Built

2014

Cost

AUD \$16m

Key Components

- Elite training facilities including a gymnasium, a hydrotherapy pool, sleep centre, 50-seat theatre and an altitude, temperature and humidity controlled environmental chamber
- The facility also houses the University of Canberra's Research Institute for Sport and Exercise, Special Olympics and ACTSPORT and ACT Sport Hall of Fame
- Access for community sports and university students



Key Learnings & Relevance

- Purpose built high performance training centre incorporating community facilities
- Partnership between elite sport and a university
- Co-existence of multiple sports organisations
- Integrated funding model including two levels of government, university and sports organisation

A MARKET ANALYSIS WAS CONDUCTED TO IDENTIFY INSIGHTS AND LEARNINGS FROM COMPARABLE VENUES

MARKET ANALYSIS

Gemba undertook a market analysis of comparable domestic venues to identify key insights and learnings that could be applicable to York Park. The venues include:

- Blundstone Arena (Hobart)
- Simonds Stadium (Geelong)
- Manuka Oval (Canberra)
- Spotless Stadium (Sydney)
- Metricon Stadium (Gold Coast)

These venues are all classified by the AFL as Category 2 venues (York Park is also classified as a Category 2 venue). Except Metricon Stadium¹, all venues host some form of cricket.

¹ Metricon Stadium has the required infrastructure to host cricket matches and is trying to attract cricket content to the stadium. It has been unsuccessful in doing so to date

BLUNDSTONE ARENA IS ABLE TO GENERATE NON-EVENT DAY REVENUE THROUGH AN ON SITE CAFÉ AND FUNCTION CENTRE

BLUNDSTONE ARENA

VENUE PROFILE	
YEAR OF DEVELOPMENT	Redeveloped in 2003 (Southern Stand and Members) and 2015 (Western Stand)
CAPITAL COSTS	\$16m in 2003 and \$38m in 2015
OWNER / OPERATOR	Cricket Tasmania
CAPACITY	20,000
CURRENT CONTENT PROFILE	AFL, Cricket
TENANTS	North Melbourne Football Club, Hobart Hurricanes, Tasmanian Tigers
COMPLEMENTARY FACILITIES	'Sports House', café and function Centre

KEY INSIGHTS
<ul style="list-style-type: none"> Blundstone Arena has been redeveloped in stages over the last 15 years Whilst the redevelopments have improved the quality of the stadium infrastructure, its stands do not integrate with each other and there are numerous sections with limited viewing The 2015 upgrade of the Western Stand included a 'Sports House' which incorporates administration space for numerous sporting bodies Blundstone Arena has limited annual content, with the majority of events driven by its operator (Cricket Tasmania) and anchor tenant (Hobart Hurricanes). The stadium hosts regular International, State and Big Bash League matches Three AFL premiership matches are hosted at the stadium through an agreement with North Melbourne Football Club Cricket Tasmania operates a café and function centre which ensures non event day revenue is generated

Source: Gemba Market Insights

SIMONDS STADIUM IS STRONGLY INFLUENCED BY ITS ANCHOR TENANT, THE GEELONG FOOTBALL CLUB

SIMONDS STADIUM

VENUE PROFILE	
YEAR OF DEVELOPMENT	Redeveloped in 2007 (Stage 1), 2010 (Stage 2), 2013 (Stage 3) and 2015 (Stage 4). The stage 5 redevelopment date is yet to be confirmed
CAPITAL COSTS	Stage 1 - \$25m, Stage 2 - \$30m, Stage 3 - \$34m, Stage 4 - \$90m,
OWNER / OPERATOR	City of Greater Geelong *
CAPACITY	34,500
CURRENT CONTENT PROFILE	AFL, Football, Cricket, Council events
TENANTS	Geelong Football Club , multiple local and state sporting organisations
COMPLEMENTARY FACILITIES	Training and administration facilities, 'Sports House' community program centre, bistro and gaming

*Effective July 2016, ownership and operation will be transferred to the Victorian State Government

KEY INSIGHTS
<ul style="list-style-type: none"> • Simonds Stadium has been redeveloped in four stages over a number of years, with a planned final stage (Stage 5) • The majority of funding for the redevelopments has been provided by the Victorian Government, with contributions from the Federal Government, City of Greater Geelong, Geelong Football Club and the AFL • Simonds Stadium has limited annual content with the majority of events provided through Geelong Football Club as the anchor tenant (one AFL pre-season match and up to eight AFL Premiership matches). The stadium also hosts one Melbourne Victory A-League match per season and exhibition cricket matches • The stadium is used by Geelong Football Club as a training and administration base and the Club also has a licensed gaming venue, a Community Centre, and a merchandise shop within the stadium footprint • Simonds Stadium also includes a 'Sports House', which is a shared administration space for local and state sporting organisations, along with Council's Venue Management team

Source: Gemba Market Insights

THROUGH RECENT INVESTMENT IN STADIUM INFRASTRUCTURE, MANUKA OVAL HAS BEEN ABLE TO ATTRACT ADDITIONAL CONTENT

MANUKA OVAL

VENUE PROFILE	
YEAR OF DEVELOPMENT	Redeveloped in 2001 (infrastructure and amenities), 2012 (lights) and 2013 (playing surface and general works)
CAPITAL COSTS	\$9m in 2001, \$4.3m in 2012 and \$9m in 2013
OWNER / OPERATOR	ACT Government / Territory Venues
CAPACITY	13,550
CURRENT CONTENT PROFILE	AFL, Cricket
TENANTS	GWS Giants, Cricket ACT
COMPLEMENTARY FACILITIES	Function space, indoor cricket training facility

KEY INSIGHTS
<ul style="list-style-type: none"> • Redevelopments to Manuka Oval have occurred in stages over numerous years, including the redevelopment of the playing surface • The stadium has limited annual content, hosting approximately six major event days annually (one AFL pre-season match, three AFL Premiership matches, one international cricket match and one Big Bash League match) • Lights being installed during the 2012 redevelopment have assisted in attracting additional major content, especially international and domestic cricket matches • As Manuka Oval is located in a residential area, the stadium operator (Territory Venues) is not actively seeking additional content • There is limited community use at Manuka Oval, primarily due to a high supply of community sporting grounds in the region • Being a small and intimate venue, the fan experience is generally considered good and has improved over recent years with the associated redevelopments • A lack of high quality corporate facilities, and limited undercover seating is seen as a negative for the stadium

Source: Interview with Manuka Oval Manager

SPOTLESS STADIUM HOSTS AFL AND CRICKET MATCHES, PRIMARILY DRIVEN THROUGH ITS ANCHOR TENANTS

SPOTLESS STADIUM

VENUE PROFILE	
YEAR OF DEVELOPMENT	Redeveloped in 2012
CAPITAL COSTS	\$65m
OWNER / OPERATOR	NSW Government / Royal Agricultural Society of NSW
CAPACITY	24,000
CURRENT CONTENT PROFILE	AFL, Cricket, festivals, functions, Sydney Royal Easter Show
TENANTS	GWS Giants, Sydney Thunder, Sydney Thunder Women
COMPLEMENTARY FACILITIES	Function space

KEY INSIGHTS

- Spotless Stadium is considered of high quality, with the redevelopment in 2012 including two new stands, upgraded hospitality facilities, improved audio and sound systems and new media facilities
- The stadium hosts a variety of content which is provided through its anchor tenants, Greater Western Sydney and Sydney Thunder. It hosts approximately 13 significant sporting events annually (one AFL pre-season match, eight AFL Premiership matches and four Big Bash League matches)
- There is limited community use of Spotless Stadium, however it is used for the Sydney Royal Easter Show
- Non event day revenue is limited, however the stadium does host functions and other events such as home and trade shows
- The fan experience at Spotless Stadium is considered good, with the ability to move right around the inner concourse, and food and beverage outlets on the inner concourse allow continuous viewing of events
- The stadium is in the process of developing turf practice wickets to support the hosting of cricket matches and training for elite teams

Source: Interview with Spotless Stadium Manager

METRICON STADIUM IS A WORLD CLASS PURPOSE BUILT VENUE THAT PRIMARILY HOSTS AFL MATCHES

METRICON STADIUM

VENUE PROFILE	
YEAR OF DEVELOPMENT	Redeveloped in 2010
CAPITAL COSTS	\$167m
OWNER / OPERATOR	QLD Government / Gold Coast Suns
CAPACITY	25,000
CURRENT CONTENT PROFILE	AFL
TENANTS	Gold Coast Suns
COMPLEMENTARY FACILITIES	Training and administration facilities, including adjacent training oval

KEY INSIGHTS

- Metricon Stadium was redeveloped for the introduction of the Gold Coast Suns into the AFL competition. The redevelopment was primarily funded by the QLD Government, with contributions from the Federal Government, Gold Coast Council, and the AFL
- The stadium was purpose built and is now a world class stadium offering high quality corporate and premium products. Metricon Stadium has been voted No.1 for fan experience in the AFL
- Through its anchor tenant, the Gold Coast Suns, the stadium hosts approximately 12 significant sporting events annually (one AFL pre-season match and 11 AFL Premiership matches)
- Metricon Stadium is trying to grow content, but faces challenges including a rectangle stadium located in the region (rectangle sports play at CBUS Super Stadium) and the close proximity to a major city (major events such as concerts tend to prefer Brisbane)
- Non-event day revenue is currently limited, however there are plans for a \$106m redevelopment of the Metricon Stadium precinct for the 2018 Commonwealth Games. This will include commercial developments and a \$20m Gold Coast Suns training and administration facility

Source: Interview with Metricon Stadium Manager

THE MARKET ANALYSIS OF COMPARABLE VENUES HAS IDENTIFIED KEY LEARNINGS FOR YORK PARK

MARKET ANALYSIS SUMMARY

- The redevelopment of venues has generally occurred in stages over time
- Funding of venue redevelopments is usually shared between all levels of government, with contributions from sporting bodies and clubs
- The majority of venues have had recent investment in specific infrastructure that has assisted in attracting content (i.e. drop in cricket wickets, lights)
- Venues that have a high number of major events generally have an anchor tenant or tenants from which this content is driven
- The majority of venues provide limited community use of the oval, but incorporate community use through ancillary facilities (i.e. 'Sports House')
- Continued improvement to infrastructure and design are important aspects of venue redevelopments to ensure an improved fan experience and overall attractiveness of a venue
- Complementary facilities located at the venue, such as high performance facilities, sports medicine centres, cafés and function centres, can help drive non-event day activation and associated revenue

4

STAKEHOLDER ANALYSIS & KEY THEMES



STAKEHOLDER CONSULTATION IDENTIFIED AREAS OF FOCUS FOR THE MASTER PLAN

KEY FINDINGS OF THIS SECTION

- Consultation with stakeholders identified six key themes that should be considered as part of the Master Plan:
 1. Increasing annual content and activation
 2. Increasing community access
 3. Targeting specific infrastructure developments to assist in the attraction of events
 4. Improving the fan experience
 5. Developing a 'Sports House' (office and administration space for sports organisations)
 6. Positioning the Venue and precinct as an integrated sporting and health precinct
- The stakeholder consultation also identified a number of event opportunities for York Park. However based on these discussions and an assessment of events, the likelihood of York Park attracting these events is generally limited

A RANGE OF STAKEHOLDERS WERE CONSULTED TO UNDERSTAND THE FACILITY GAPS AND FUTURE REQUIREMENTS OF THE VENUE

STAKEHOLDER CONSULTATION

FOCUS OF CONSULTATION

The consultation process with key stakeholders focused on the following areas:

- Understanding the current association and proposed future at the Venue / Precinct
- Identifying key gaps in existing facility provision and future facility needs
- Identifying other infrastructure and facility issues and opportunities that require consideration
- Identifying future premium content opportunities and likelihood of attracting these events
- Identifying partnership opportunities and what they may include

STAKEHOLDERS*

- Hawthorn Football Club
- AFL
- AFL Tasmania
- Cricket Tasmania
- Events Tasmania
- University of Tasmania
- Tasmania Institute of Sport (TIS)
- Sport & Recreation Tasmania
- Ticketmaster
- Entertainment / Music Promoter
- Football Federation Tasmania

* Stakeholders consulted by Gemba were chosen by Council. Some other consultation was undertaken by Council with general themes reported to Gemba

CONSULTATION WITH STAKEHOLDERS IDENTIFIED SIX KEY THEMES THAT SHOULD BE CONSIDERED AS PART OF THE MASTER PLAN

KEY THEMES

CONTENT & ACTIVATION

The majority of stakeholders agreed that, although difficult due to the scarcity of events, York Park should aim to increase its annual content. In addition, stakeholders acknowledged that greater activation of the Precinct outside of events days is crucial

COMMUNITY ACCESS

Stakeholders advised that access to York Park by the community, especially local sporting teams, is prohibitive at the moment. Improved community access was seen as vital however it is generally recognised that this could be delivered in a variety of ways

TARGETED INFRASTRUCTURE

The current York Park infrastructure was seen as sufficient for the operation of events, however stakeholders advised that targeted infrastructure developments would assist in the attraction of additional content to the Venue (i.e. broadcast and media facilities for cricket)

FAN EXPERIENCE

The majority of stakeholders felt that the fan experience at York Park could be improved. This includes improvements to amenities and concessions as well as the hospitality product offer

'SPORTS HOUSE'

There is a lack of suitable and quality administration space at York Park, with corporate facilities currently being used as temporary offices. The provision of suitable administration facilities located at the Venue was seen as important by stakeholders

INTEGRATED PRECINCT

Stakeholders mentioned that there is an opportunity for the Venue and Precinct to position itself as an integrated sporting and health precinct, and include facilities and services that are lacking in Northern Tasmania, including pathway athlete development, sports science and allied health services

A NUMBER OF EVENT OPPORTUNITIES HAVE BEEN IDENTIFIED HOWEVER THE LIKELIHOOD OF ATTRACTION IS GENERALLY LIMITED

EVENT OPPORTUNITIES*

CONTENT	COMMENT	INCREMENTAL EVENTS	LIKELIHOOD
CRICKET	Cricket Tasmania is interested in taking matches to York Park but due to limited overall content annually, this is a difficult task. Opportunities will depend on increased content and programming of Cricket Australia	• Big Bash League Matches	LOW
		• Women's Big Bash League Matches	HIGH
		• Matador Cup Matches	LOW
AFL	Hawthorn Football Club has just signed a new deal to play one pre season and four AFL Premiership matches in Tasmania until 2021. It is unlikely that the AFL would increase content in addition to the Hawthorn agreement	• AFL Pre-Season Matches	LOW
		• AFL Premiership Matches	LOW
FOOTBALL	There is potential for A-League matches to be held at York Park, however FFA has a preference to host matches at rectangular venues in locations that have the potential to attract large crowds	• A-League Pre-Season Matches	MEDIUM
		• A-League Premiership Matches	LOW
RUGBY LEAGUE	There is potential for NRL Pre-Season matches to be held at York Park however the opportunity may be dependant on interest of the community	• NRL Pre-Season Matches	MEDIUM
		• NRL Premiership Matches	MEDIUM
RUGBY UNION	There is potential for National Rugby Championship matches or Super 15 Pre-Season matches to be held at York Park however the opportunity may be dependant on interest of the community	• Super 15 Pre-Season Matches	LOW
		• Super 15 Premiership Matches	LOW
		• National Rugby Championship Matches	LOW
MUSIC / ENTERTAINMENT	Premier music and entertainment events are usually cost prohibitive from a logistics and commercial viability point of view, however there are opportunities to attract second tier music and entertainment events to York Park	• Top Tier Music or Entertainment Acts (i.e. Foo Fighters)	LOW
		• Second Tier Music or Entertainment Acts	MEDIUM
COMMUNITY / OTHER	There is potential to attract and host more community sporting and entertainment events and other events (i.e. Masters Games) at York Park	• Community Events	HIGH
		• Other Events	HIGH

*The opportunity of events being held at York Park is contingent on many factors, one of which is event funding. Funding for events is usually provided through the York Park operating budget, Council, or the State Government. 90 per cent of State Government funding is provided through Events Tasmania, with its funding of events driven by the number of prospective visitors attracted to Tasmania

5 DEVELOPMENT OPPORTUNITIES



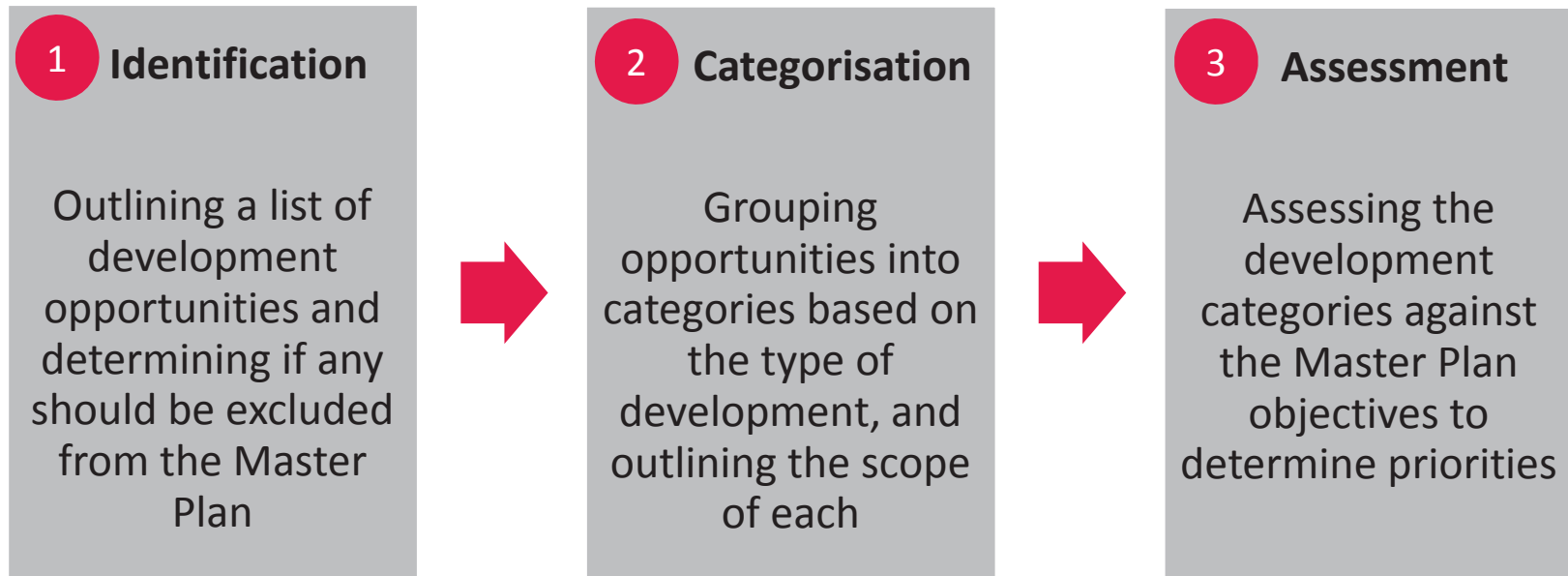
FOUR DEVELOPMENT CATEGORIES HAVE BEEN IDENTIFIED AS IMPORTANT CONSIDERATIONS FOR THE MASTER PLAN

KEY FINDINGS OF THIS SECTION

- The development opportunities for York Park have been grouped into four categories:
 1. **Stadium** – Upgraded stadium infrastructure that meets the requirements of sports, assists in the attraction of events and incorporates modern day facilities for spectators and players
 2. **Community** – Facilities that can be utilised by the community and support community programs across social, cultural, education and health initiatives
 3. **High Performance** – High performance training, administration, education and research facilities to support high performance athletes, development athletes and academy teams, with a primary focus on Australian Rules Football
 4. **Commercial** – Infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the Venue
- Based on an assessment against the Master Plan objectives, the High Performance development should be prioritised. The High Performance opportunities are likely to be innovative and increase activation
- To ensure the Venue remains contemporary and existing standards are maintained and enhanced, specific Stadium development opportunities (i.e. improvements to stadium infrastructure, amenity, concession and concourse and oval redevelopment) are fundamental considerations for the Master Plan
- The Community and Commercial development opportunities are expected to develop business, activation and engagement within the Precinct (albeit are a lower priority)

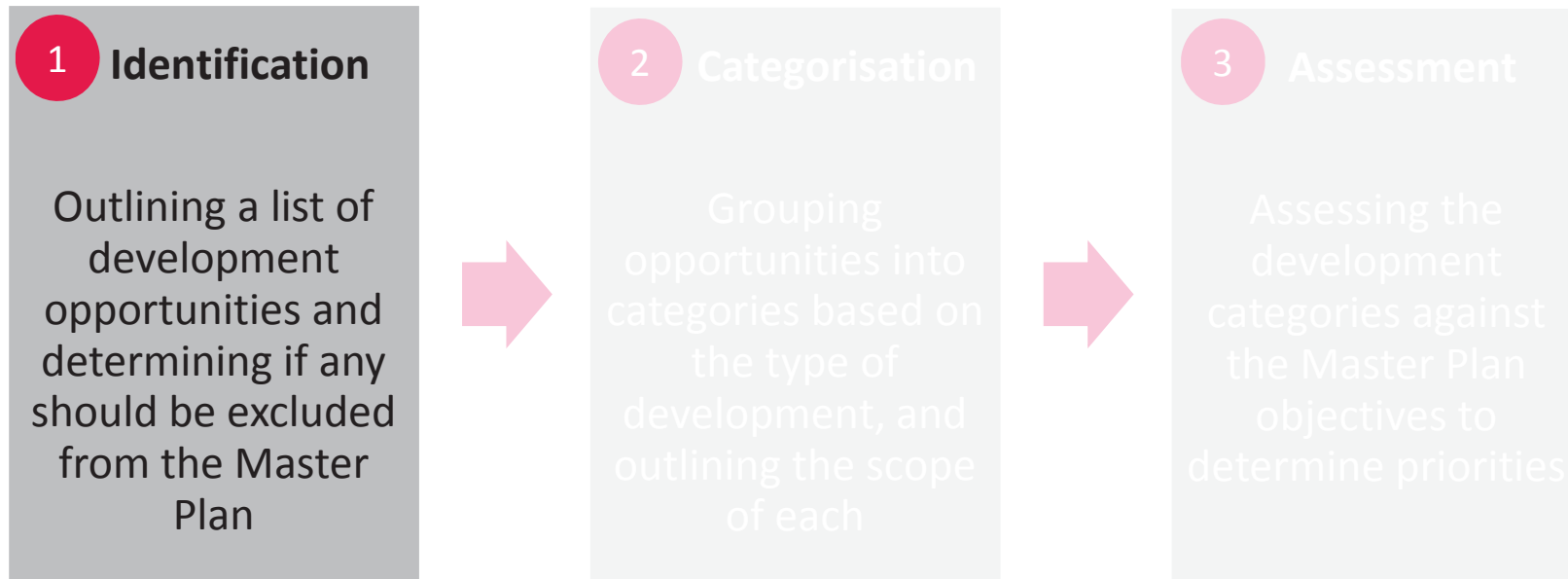
A THREE STAGE PROCESS WAS ADOPTED TO DETERMINE AND ASSESS THE DEVELOPMENT OPPORTUNITIES

DEVELOPMENT OPPORTUNITIES PROCESS



IDENTIFYING DEVELOPMENT OPPORTUNITIES AND DETERMINING EXCLUSIONS WAS THE FIRST STEP IN THE PROCESS

DEVELOPMENT IDENTIFICATION



DEVELOPMENT OPPORTUNITIES HAVE BEEN IDENTIFIED FROM THE PREVIOUS WORK STEPS

DEVELOPMENT OPPORTUNITIES

Based on the Master Plan objectives, industry trends and benchmarks, and the findings of the stakeholder consultations, development opportunities for the Venue and immediate Precinct have been identified.

LIST OF DEVELOPMENT OPPORTUNITIES

1. Improvements to stadium infrastructure (i.e. stands)
2. Improvements to stadium amenity (i.e. concessions and toilets)
3. Oval redevelopment
4. Upgraded broadcast and media facilities for cricket
5. Turf practice wickets
6. An indoor sports facility
7. Synthetic playing and training oval
8. 'Sports House' (office and administration space for sports organisations)
9. Community recreation amenities (i.e. lockers, change rooms)
10. High performance training facility
11. Recovery facilities (i.e. aquatic)
12. Sports science education and research facilities
13. Class rooms / lecture facilities / media conference room
14. Dorm style accommodation
15. Commercial health development (i.e. sports medicine)
16. Retail shops
17. Café
18. Hospitality / convention centre

DEVELOPMENT OPPORTUNITIES WERE EXCLUDED DUE TO SITE CONSTRAINTS, CURRENT STRATEGY AND LACK OF IDENTIFIED NEED

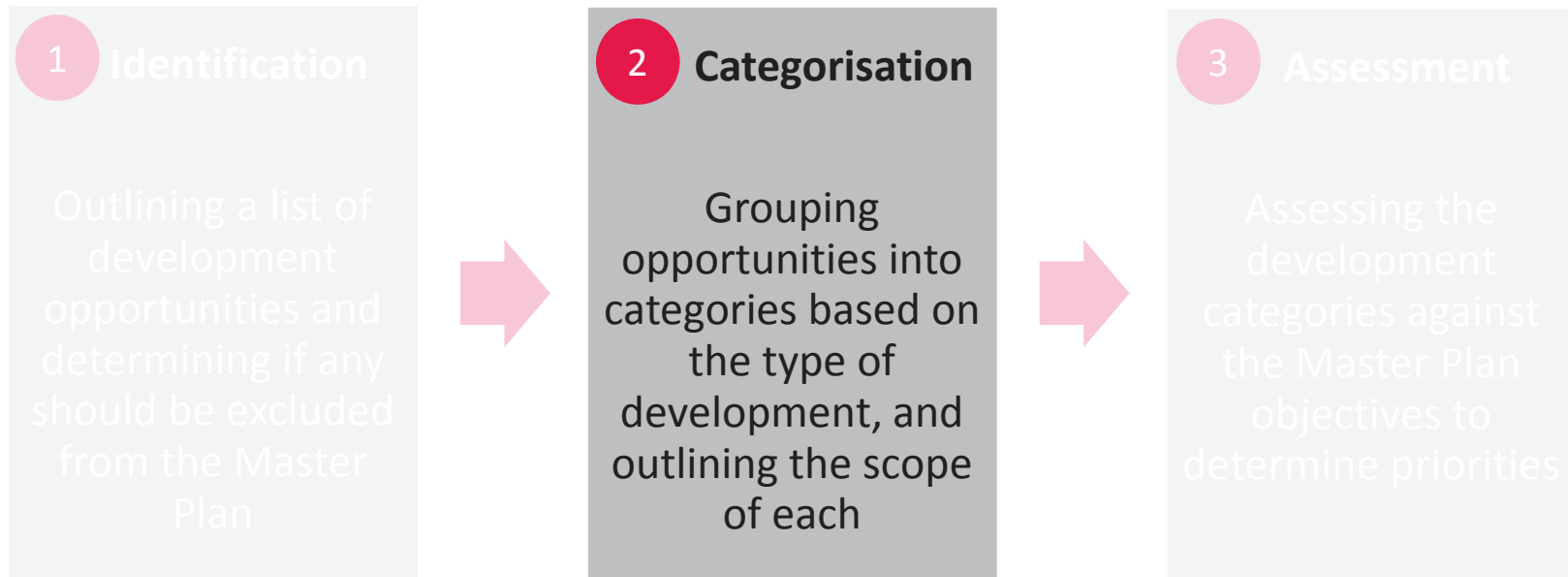
EXCLUDED DEVELOPMENT OPPORTUNITIES

The list of development opportunities were considered against identified needs, current strategy and site constraints to determine if they should be assessed further as part of the Master Plan. The following development opportunities were excluded from the Master Plan on that basis.

DEVELOPMENT OPPORTUNITY	REASON FOR MASTER PLAN EXCLUSION
Synthetic playing and training field	The York Park turf will remain natural turf and the Invermay Park oval has recently been redeveloped. Further, a full size synthetic field could not be accommodated due to site constraints. There is potential to develop a synthetic playing and training field elsewhere in the wider Precinct (i.e. Showgrounds)
Dorm style accommodation	Council has indicated that onsite accommodation does not fit with current strategy at this point in time
Hospitality / convention centre	The Venue has an existing function centre that should be able to meet the hospitality need over the next 15 years (albeit with renovations required during that period)

THE NEXT STEP IN THE PROCESS INVOLVED GROUPING AND OUTLINING THE SCOPE OF DEVELOPMENT OPPORTUNITIES

DEVELOPMENT CATEGORISATION



THE INCLUDED DEVELOPMENT OPPORTUNITIES HAVE BEEN GROUPED INTO FOUR CATEGORIES

DEVELOPMENT OPPORTUNITIES OVERVIEW

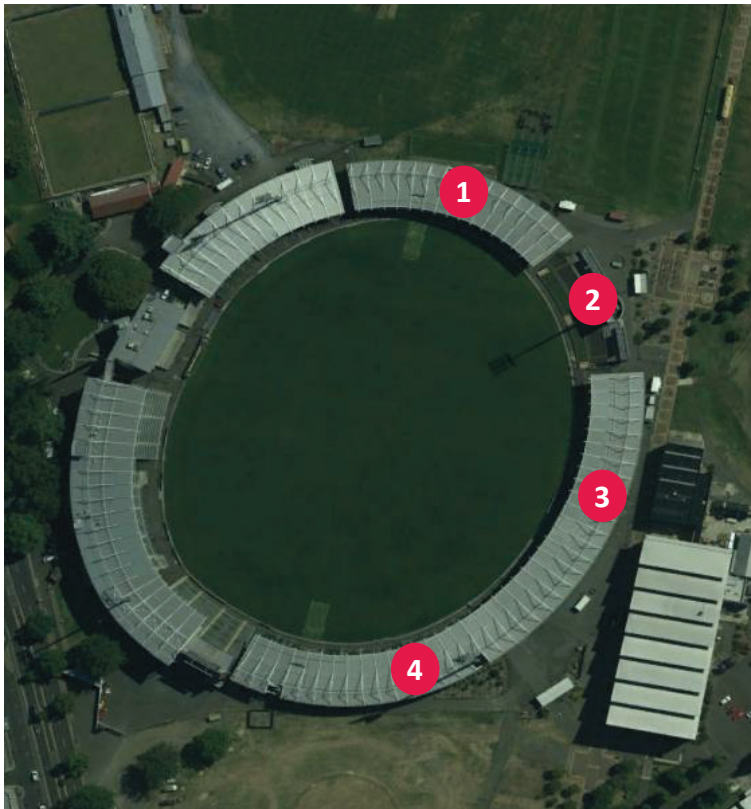
	1 STADIUM	2 COMMUNITY	3 HIGH PERFORMANCE	4 COMMERCIAL
DESCRIPTION	Upgraded stadium infrastructure that meets the requirements of sports, assists in the attraction of events and incorporates modern day facilities for spectators and players	Facilities that can be utilised by the community and support community programs across social, cultural, education and health initiatives	High performance training, administration, education and research facilities to support high performance athletes, development athletes and academy teams, with a primary focus on Australian Rules Football	Infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the Venue
OPPORTUNITIES	<ol style="list-style-type: none"> 1. Improvements to stadium infrastructure 2. Improvements to stadium amenity 3. Oval redevelopment 4. Upgraded broadcast and media facilities for cricket 5. Turf practice wickets 	<ol style="list-style-type: none"> 1. Indoor sports facility 2. 'Sports House' 3. Community recreation amenities 	<ol style="list-style-type: none"> 1. High performance training facility 2. Recovery facilities 3. Sports science education and research facilities 4. Class rooms / lecture facilities / media conference room 	<ol style="list-style-type: none"> 1. Commercial health development 2. Retail shops 3. Café

A MAJOR FOCUS OF THE MASTER PLAN SHOULD BE IMPROVEMENTS TO STADIUM INFRASTRUCTURE

STADIUM DEVELOPMENT OVERVIEW

1

STADIUM – Upgraded stadium infrastructure that meets the requirements of sports, assists in the attraction of events and incorporates modern day facilities for spectators and players



York Park currently has three temporary stands and a hill:

1. Northern Terrace
2. RACT Railway Workers Hill
3. Eastern Terrace
4. Southern Terrace

A main focus over the next 15 years will be to replace these temporary stands and hill with permanent stands. Included in this would be upgraded broadcast and media facilities for cricket (Northern or Southern Terrace, or both). The new infrastructure, in addition to the existing stands, should incorporate the following:

- Upgraded and new food and beverage facilities
- Upgraded and new public amenities
- New hospitality areas offering a variety of product
- Improved spectator concourse, circulation and sense of arrival at the Venue

In addition, the oval is reaching the end of its useful life and a major redevelopment should be a priority. Turf practice wickets are important in attracting additional content and should be considered as part of any redevelopment.

DEVELOPMENTS THAT PROVIDE COMMUNITY OUTCOMES ARE KEY CONSIDERATIONS FOR THE MASTER PLAN

COMMUNITY DEVELOPMENT OVERVIEW

- 2** **COMMUNITY** – Facilities that can be utilised by the community and support community programs across social, cultural, education and health initiatives



THE HIGH PERFORMANCE DEVELOPMENT WOULD CONSIST OF FOUR KEY COMPONENTS AND BE APPROXIMATELY 1,900 SQUARE METRES

HIGH PERFORMANCE DEVELOPMENT OVERVIEW

3

HIGH PERFORMANCE – High performance training, administration, education and research facilities to support high performance athletes, development athletes and academy teams, with a primary focus on Australian Rules Football

The High Performance development aims to fill current gaps in facility provision in Northern Tasmania and meet the needs and aspirations identified by stakeholders. There are four key components of the High Performance development each with a functional purpose.



AREA	TOTAL SQM*
High performance facilities (gymnasium, cardio room, warm up area, change rooms, showers, toilets, kitchen)	800
Rehabilitation / recovery facilities	200
Sports science education and research facilities	250
Class rooms / lecture facilities / media conference room	250
TOTAL (inclusive of 400 sqm circulation and plant areas)	1,900

*Based on benchmarks of like facilities (i.e. Michael Long Learning and Leadership Centre)

COMMERCIAL DEVELOPMENT INCLUDES THREE KEY COMPONENTS AIMED AT THE GENERATION OF NON-EVENT DAY REVENUE

COMMERCIAL DEVELOPMENT OVERVIEW

4

COMMERCIAL – Commercial infrastructure that integrates with the immediate Inveresk Precinct and increases activation and commercialisation of the Venue

The Commercial development would be approximately 1,000 sqm* and the development would incorporate three key components.



COMMERCIAL HEALTH

Commercial developments relating to health (i.e. sports medicine and rehabilitation) that would service teams and athletes in the region as well as the general community and student population

RETAIL SHOPS

Retail shops (with a focus on sport and recreation) that would service people working in the area, businesses, university students and staff, and the community

CAFE

A café catering for organisations based at the Venue as well as university students and staff and the community. The café could also provide tailored meals for athletes and teams that use the High Performance facility

*Indicative only and has not been market tested

THE FINAL STEP INVOLVED ASSESSING THE DEVELOPMENT CATEGORIES AGAINST THE MASTER PLAN OBJECTIVES

DEVELOPMENT ASSESSMENT



THE MASTER PLAN OBJECTIVES HAVE BEEN USED TO ASSESS THE DEVELOPMENT PRIORITIES

MASTER PLAN OBJECTIVES

Each development opportunity of each category has been assessed against each Master Plan objective.

- 1 ECONOMIC** – Deliver economic and social yield to the region
- 2 EVENTS** – Provide a high quality, flexible venue that can attract and host a diverse range of events, catering to users, fans and the community
- 3 BUSINESS DEVELOPMENT** – Increase activation and develop business within the precinct
- 4 INNOVATION** – Be a place of innovation, through business, high performance sport and academic programs
- 5 ENGAGEMENT** – Assist in the development of local and regional partnerships with government, business and the community

The assessment assumes that the current content profile of the Venue is retained and focuses on incremental benefit above and beyond the status quo. The importance of each objective has been weighted by Council.

BASED ON AN ASSESSMENT AGAINST THE OBJECTIVES, THE HIGH PERFORMANCE DEVELOPMENT SHOULD BE PRIORITISED

ASSESSMENT SUMMARY

OBJECTIVES		WEIGHTING	1 STADIUM	2 COMMUNITY	3 HIGH PERFORMANCE	4 COMMERCIAL
ECONOMIC	25%	2.4	3.0	3.5	3.0	
EVENTS	30%	4.0	2.0	2.8	1.3	
BUSINESS DEVELOPMENT	10%	1.0	3.8	4.0	4.0	
INNOVATION	20%	1.0	1.0	4.0	2.3	
ENGAGEMENT	15%	1.0	3.8	4.0	4.0	
TOTAL SCORE	100%	9.4	13.6	18.3	14.6	
WEIGHTED SCORE		2.3	2.5	3.5	2.6	

LEGEND: 1 = Does not Meet Objective , 2 = Somewhat Meets Objective, 3 = Meets Objective, 4 = Strongly Meets Objective

STADIUM OPPORTUNITIES ARE FUNDAMENTAL TO ITS EXISTENCE AND CRITICAL TO ENSURE THAT THE VENUE REMAINS CONTEMPORARY

STADIUM ASSESSMENT SUMMARY

OBJECTIVES	SCORE
ECONOMIC	2.4
EVENTS	4.0
BUSINESS DEVELOPMENT	1.0
INNOVATION	1.0
ENGAGEMENT	1.0
TOTAL SCORE	9.4
WEIGHTED SCORE	2.3

- The Stadium development category ranks the lowest based on the assessment. This is due to the opportunities not sufficiently meeting the Business Development, Innovation and Engagement objectives
- Improvements to stadium infrastructure and amenity will provide a high quality stadium and help attract events to the Venue (i.e. cricket) and will also bring a degree of economic and social yield to the region
- Redeveloping the oval, upgrading broadcast and media facilities for cricket and installing turf practice wickets will also help attract events to the Venue, but will not deliver as much economic and social benefit
- Whilst ranking lowest in the assessment, specific Stadium development opportunities (i.e. improvements to stadium infrastructure, amenity, concession and concourse and oval redevelopment) are fundamental considerations for the Master Plan to ensure the Venue remains contemporary and existing standards are maintained and enhanced, and current content is retained

THE COMMUNITY OPPORTUNITIES ARE EXPECTED TO INCREASE ACTIVATION AND ENGAGEMENT WITHIN THE PRECINCT

COMMUNITY ASSESSMENT SUMMARY

OBJECTIVES	SCORE
ECONOMIC	3.0
EVENTS	2.0
BUSINESS DEVELOPMENT	3.8
INNOVATION	1.0
ENGAGEMENT	3.8
TOTAL SCORE	13.6
WEIGHTED SCORE	2.5

- The Community development category ranked third overall based on the assessment
- An indoor sports facility, ‘Sports House’ and community recreation facilities are predicted to increase activation on non-event days
- The Community development opportunities will allow for increased community access and use, and strengthen local and regional community partnerships
- The community recreation amenities will allow for a high degree of social benefit to be realised, and the indoor sports facility and ‘Sports House’ will bring economic and social yield to the region through jobs and additional services to the community
- The indoor sports facility is expected to assist with the attraction of events, albeit non-commercial events

THE HIGH PERFORMANCE OPPORTUNITIES ARE LIKELY TO BE INNOVATIVE AND INCREASE ACTIVATION OF THE VENUE

HIGH PERFORMANCE ASSESSMENT SUMMARY

OBJECTIVES	SCORE
ECONOMIC	3.5
EVENTS	2.8
BUSINESS DEVELOPMENT	4.0
INNOVATION	4.0
ENGAGEMENT	4.0
TOTAL SCORE	18.3
WEIGHTED SCORE	3.5

- The High Performance development category ranks highest based on the assessment
- Through jobs and additional services to the community, the High Performance development opportunities will provide some economic and social yield to the region
- A potential partnership with UTAS and a focus on high performance ensures that all development opportunities in this category will be highly innovative
- The high performance gym and recovery facilities will provide additional services within the Precinct and increase community and commercial use
- The sports science education and research component and class rooms will provide facilities for university students and the community to utilise, which will lead to increased activation on non-event days
- All High Performance development opportunities will assist the Venue in developing local and regional business and community partnerships
- All High Performance development opportunities will add to the quality and flexibility of the Venue as well as making it more attractive to AFL development squads and elite teams

THE COMMERCIAL OPPORTUNITIES ARE EXPECTED TO DEVELOP BUSINESS, ACTIVATION AND ENGAGEMENT

COMMERCIAL ASSESSMENT SUMMARY

OBJECTIVES	SCORE
ECONOMIC	3.0
EVENTS	1.3
BUSINESS DEVELOPMENT	4.0
INNOVATION	2.3
ENGAGEMENT	4.0
TOTAL SCORE	14.6
WEIGHTED SCORE	2.6

- The Commercial development category ranked second overall based on the assessment
- The commercial health development, retail shops and café will bring additional visitors to the Venue and increase activation within the Precinct on non-event days
- Through the Commercial development opportunities, local and regional business partnerships will be developed, and increased links with the community will be created
- The Commercial development opportunities will likely bring economic and social yield to the region through jobs and additional services to the community
- The potential to integrate the commercial health component into the High Performance development will facilitate innovative businesses (i.e. sports medicine) to operate

SPECIFIC OPPORTUNITIES WITHIN EACH CATEGORY HAVE BEEN PRIORITISED BASED ON THE ASSESSMENT

DEVELOPMENT CATEGORY PRIORITIES

Based on the outcome of the assessment against the Master Plan objectives, the order of priority in each development category is:

	1 STADIUM	2 COMMUNITY	3 HIGH PERFORMANCE	4 COMMERCIAL
PRIORITIES	<ol style="list-style-type: none">1. Improvements to stadium infrastructure2. Improvements to stadium amenity3. Oval redevelopment4. Upgraded broadcast and media facilities for cricket5. Turf practice wickets	<ol style="list-style-type: none">1. Indoor sports facility2. 'Sports House'3. Community recreation amenities	<ol style="list-style-type: none">1. Sports science education and research facilities2. High performance training facility3. Recovery facilities4. Class rooms / lecture facilities / media conference room	<ol style="list-style-type: none">1. Commercial health development2. Café3. Retail shops

The order of priority can assist in the preparation of Master Plan options and the selection of a preferred option (refer to the following section).

6 MASTER PLAN OPTIONS



THREE MASTER PLAN OPTIONS HAVE BEEN FORMED WITH THE INTERMEDIATE OPTION THE PREFERRED OPTION

KEY FINDINGS OF THIS SECTION

- Three Master Plan options were considered:
 1. **Extensive** – Focused on the provision of all development opportunities identified, providing Stadium, Community, High Performance and Commercial outcomes
 2. **Intermediate** – Focused on providing Stadium, Community and High Performance outcomes based on the priority development opportunities in each category
 3. **Base Case** – Focused on the provision of High Performance, as well as selected improvements to stadium infrastructure and amenity
- The indicative capital costs of each Master Plan option is \$53m (Extensive), \$40m (Intermediate) and \$23m (Base Case)
- The Intermediate Option was determined to be the preferred Master Plan option as it will achieve the overall objectives of the Master Plan at a feasible capital cost for Council

THREE MASTER PLAN OPTIONS THAT RANGE FROM MINIMAL TO EXTENSIVE DEVELOPMENT HAVE BEEN PREPARED

MASTER PLAN OPTIONS

Based on the Master Plan objectives, the outcome of the assessment, and a workshop with the Project Steering Group, three Master Plan options have been prepared:

OPTION	1 EXTENSIVE – (STADIUM, COMMUNITY, HIGH PERFORMANCE AND COMMERCIAL DEVELOPMENTS)	2 INTERMEDIATE – (LIMITED STADIUM, COMMUNITY AND HIGH PERFORMANCE DEVELOPMENTS)	3 BASE CASE – (HIGH PERFORMANCE AND LIMITED STADIUM DEVELOPMENTS)
DESCRIPTION	The Extensive Option is focused on the provision of all development opportunities identified, providing Stadium, Community, High Performance and Commercial outcomes	The Intermediate Option is focused on providing Stadium, Community and High Performance outcomes based on the priority development opportunities in each category	The Base Case Option is focused on the provision of High Performance, as well as selected improvements to stadium infrastructure and amenity

These three options are outlined in further detail in the following pages.

AN EXTENSIVE OPTION WOULD INVOLVE STADIUM, COMMUNITY, HIGH PERFORMANCE AND COMMERCIAL DEVELOPMENTS

EXTENSIVE OPTION OVERVIEW

DESCRIPTION

The Extensive Option is focused on the provision of all development opportunities identified, providing Stadium, Community, High Performance and Commercial outcomes

KEY PROJECTS

STADIUM

1. Improvements to stadium infrastructure
2. Improvements to stadium amenity
3. Oval redevelopment
4. Upgraded broadcast and media facilities for cricket
5. Turf practice wickets

COMMUNITY

6. An indoor sports facility
7. 'Sports House'
8. Community recreation amenities

HIGH PERFORMANCE

9. High performance training facility
10. Recovery facilities
11. Sports science education and research facilities
12. Class rooms / lecture facilities / media conference room

COMMERCIAL

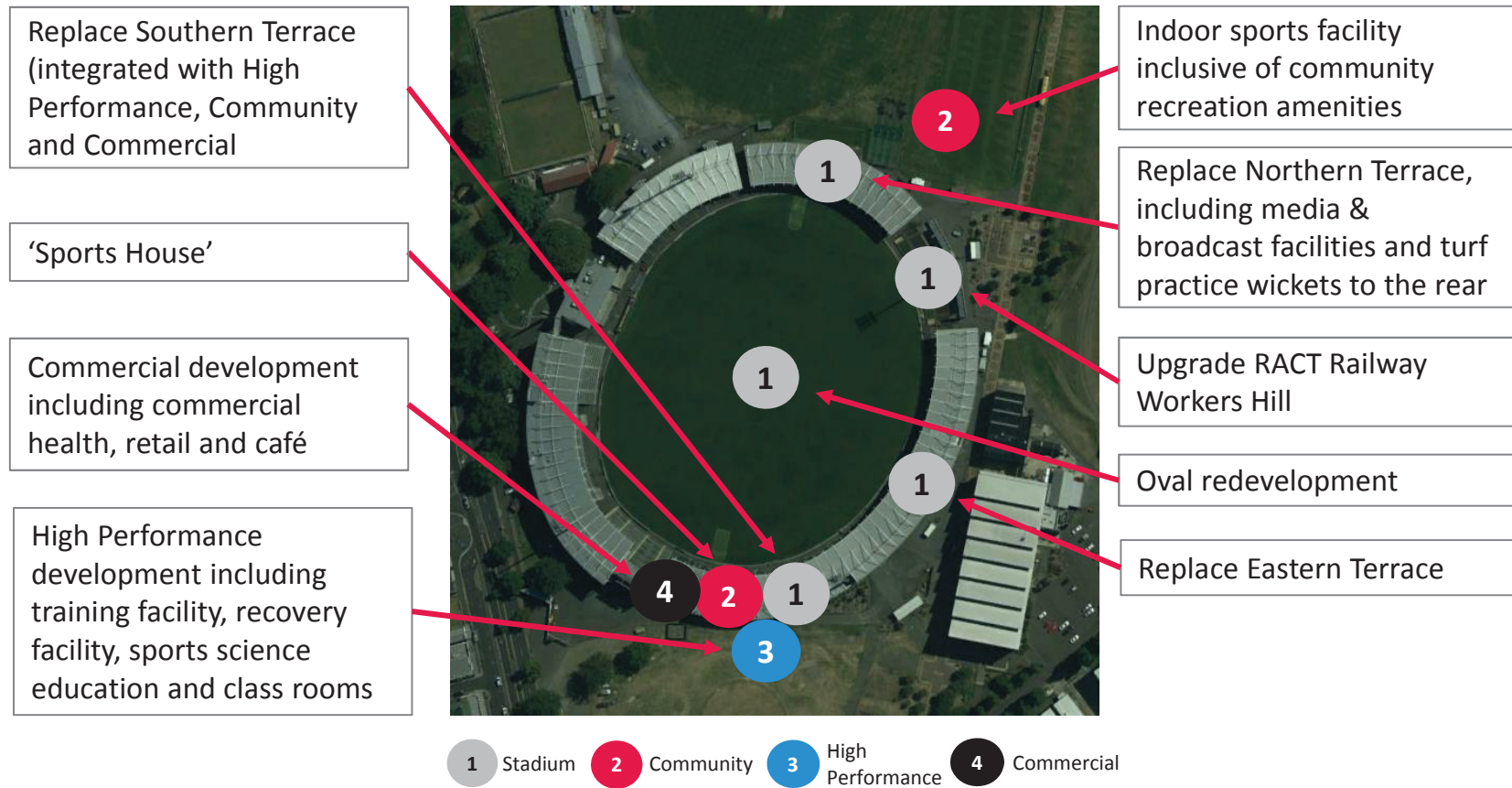
13. Commercial health development
14. Retail shops
15. Café

KEY BENEFITS & ISSUES

- Provides opportunity to integrate Stadium, Community, High Performance, and Commercial developments
- Ensures that the Venue will be developed to a high quality, contemporary standard over the next 15 years
- Allows for all Master Plan objectives to be fully met
- Provides the potential to integrate with the proposed UTAS development
- Offers an attractive proposition in seeking government and private funding
- Overall capital costs will be significant and will come with considerable operational implications
- The management of some components may be outsourced to third parties meaning the Venue operating model may become more complex

THE EXTENSIVE OPTION WOULD SEE SIGNIFICANT DEVELOPMENT OF THE VENUE INCLUDING REPLACEMENT OF ALL TEMPORARY STANDS

EXTENSIVE OPTION VISUAL



AN INTERMEDIATE OPTION FOCUSES ON PROVIDING PRIORITY AND VALUE FOR MONEY DEVELOPMENT

INTERMEDIATE OPTION OVERVIEW

DESCRIPTION

The Intermediate Option is focused on providing Stadium, Community and High Performance outcomes based on the priority development opportunities in each category. All Commercial opportunities are excluded (the private sector could provide these or similar elsewhere in the wider Precinct)

KEY PROJECTS

STADIUM

1. Improvements to stadium infrastructure
2. Improvements to stadium amenity
3. Oval redevelopment
4. Upgraded broadcast and media facilities for cricket

COMMUNITY

5. An indoor sports facility
6. 'Sports House'
7. Community recreation amenities

HIGH PERFORMANCE

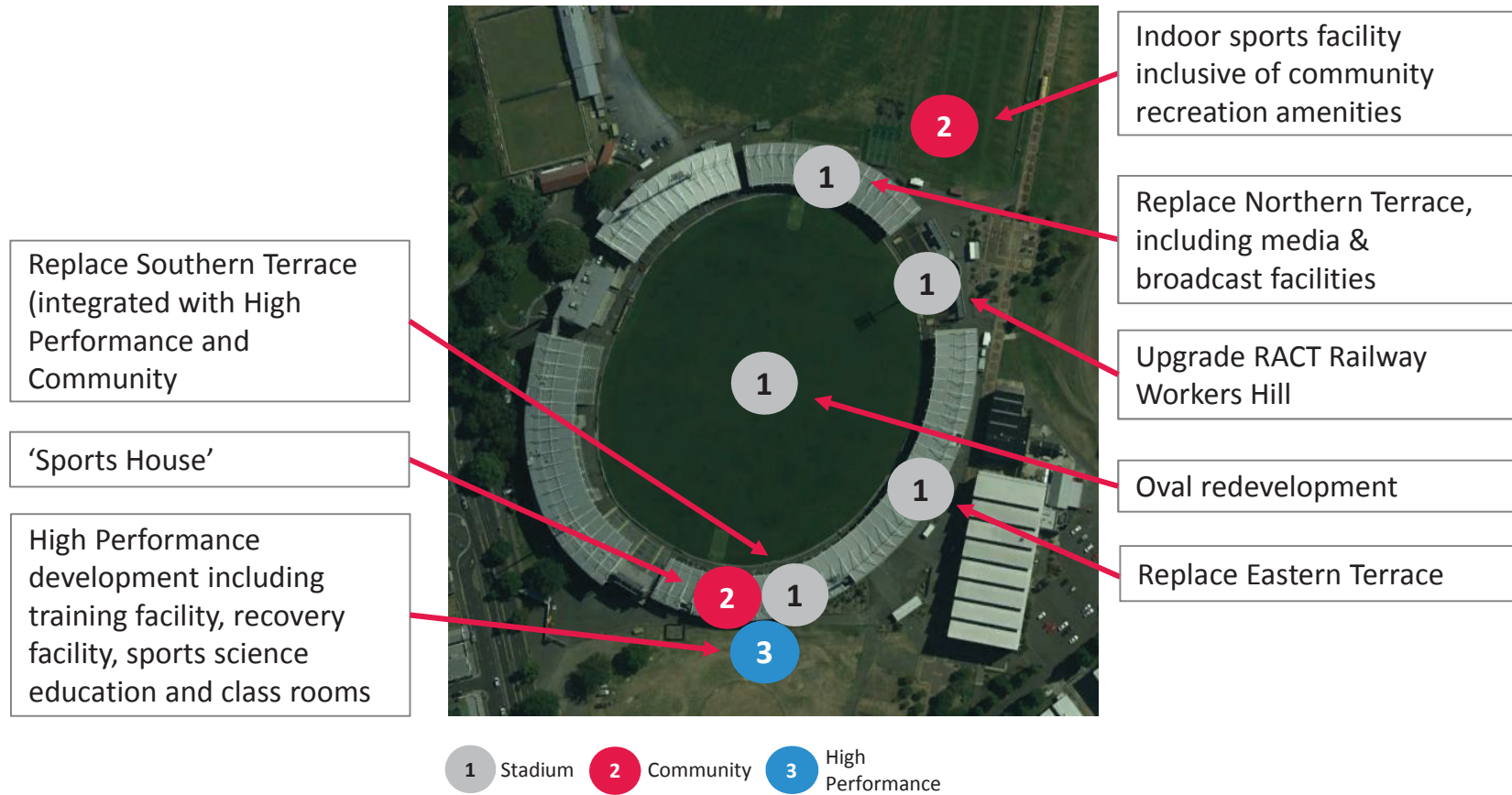
8. High performance training facility
9. Recovery facilities
10. Sports science education and research facilities
11. Class rooms / lecture facilities / media conference room

KEY BENEFITS & ISSUES

- Achieves the overall objectives of the Master Plan at a more feasible capital cost (according to Council)
- Ensures that the Venue will be developed to a high quality, contemporary standard over the next 15 years
- Provides opportunity to integrate Stadium, Community and High Performance developments
- Provides the potential to integrate with the proposed UTAS development
- Does not meet all of the facility needs or opportunities outlined by stakeholders
- Will have a moderate to high operational impact
- Outcomes achieved for each Master Plan objective are likely to be less compared to the Extensive Option
- Private funding may not be as likely compared to the Extensive Option (given no commercial)

THE INTERMEDIATE OPTION INVOLVES SELECTED DEVELOPMENT AROUND THE VENUE, WITH INTENSIVE DEVELOPMENT AT THE SOUTH

INTERMEDIATE OPTION VISUAL



THE BASE CASE WOULD HAVE A FOCUS ON HIGH PERFORMANCE AND ENHANCEMENT OF STADIUM INFRASTRUCTURE

BASE CASE OPTION OVERVIEW

DESCRIPTION

The Base Case Option is focused on the provision of High Performance development opportunities, as well as selected improvements to stadium infrastructure and amenity. Community and Commercial opportunities are excluded.

KEY PROJECTS

STADIUM

1. Improvements to stadium infrastructure
2. Improvements to stadium amenity
3. Oval redevelopment
4. Upgraded broadcast and media facilities for cricket

HIGH PERFORMANCE

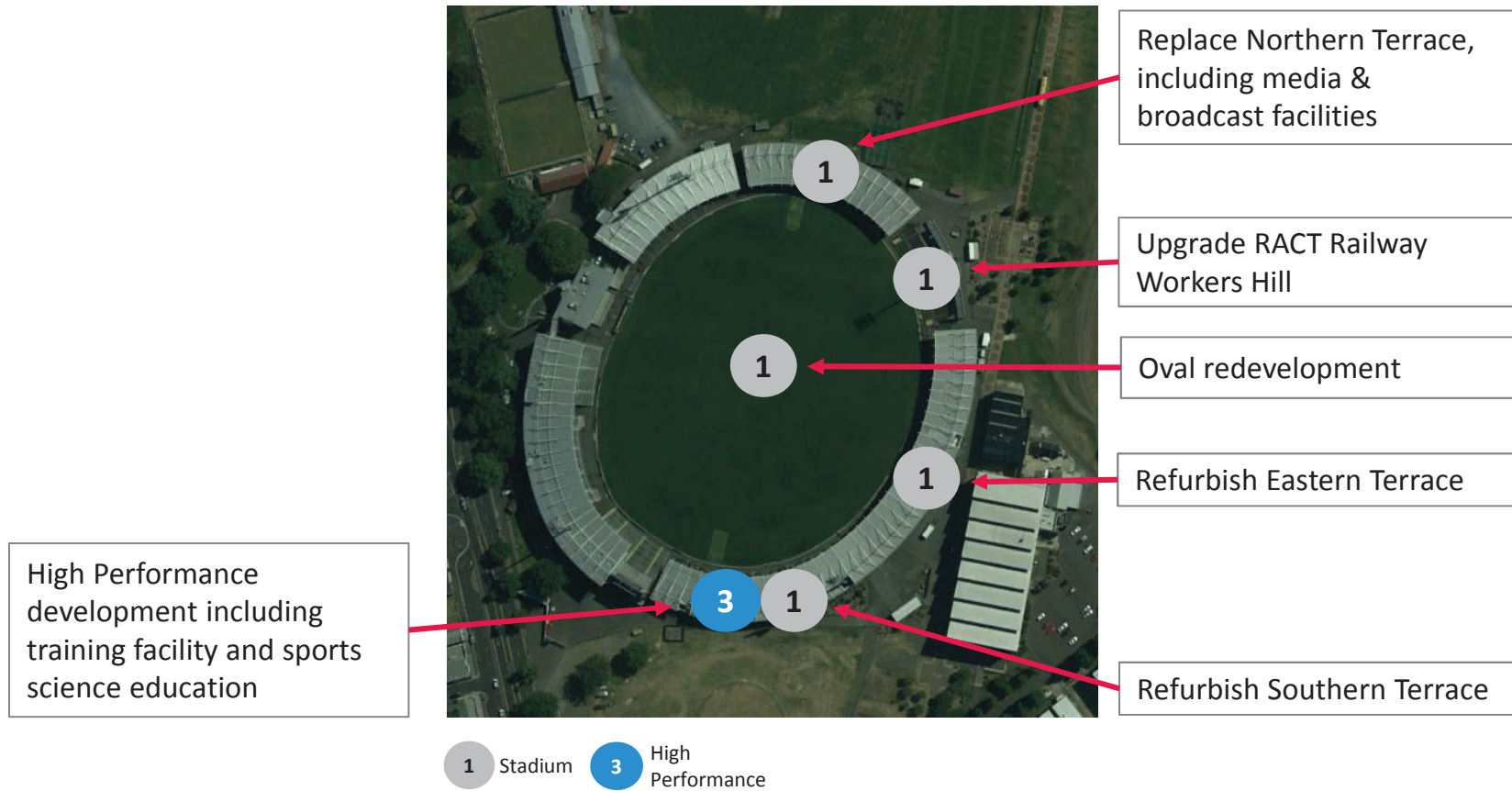
5. High performance training facility
6. Sports science education and research facilities

KEY BENEFITS & ISSUES

- Overall capital costs are likely to be more feasible
- Will have a minimal to moderate operational impact
- The priority development (High Performance) will be undertaken
- All Master Plan objectives will not be achieved to the fullest
- Does not meet all of the facility needs or opportunities outlined by stakeholders
- Government and private funding may not be as likely compared to the Extensive and Intermediate options
- Temporary and ageing infrastructure would remain in place (albeit refurbished)

THE BASE CASE INVOLVES LIMITED DEVELOPMENT, WITH A FOCUS ON HIGH PERFORMANCE FACILITIES IN THE SOUTH

BASE CASE OPTION VISUAL



THE INDICATIVE CAPITAL COST OF EACH MASTER PLAN OPTION RANGES FROM \$23M TO \$53M

INDICATIVE CAPITAL COSTS BY OPTION

Indicative capital costs have been prepared for each option based on the proposed scope of the development opportunities, the capital costs of benchmarked facilities and industry rates.

OPTIONS	1 STADIUM	2 COMMUNITY	3 HIGH PERFORMANCE	4 COMMERCIAL	TOTAL
EXTENSIVE	~\$30m	~\$5m	~\$15m	~\$3m	~\$53m ¹
INTERMEDIATE	~\$20m	~\$5m	~\$15m	\$0	~\$40m ²
BASE CASE	~\$11m	\$0m	~\$12m	\$0m	~\$23m ³

¹ Based on: STADIUM – 6,900 seats and a cost per seat rate (\$4,000), benchmarking of oval redevelopments and turf practice wicket costs; COMMUNITY – industry rates per square metre (\$2,000 - \$2,400) for indoor sports facilities (2,000sqm) and office and administration space (500sqm); HIGH PERFORMANCE – benchmarking of the Michael Long Life and Learning Facility; COMMERCIAL – industry rates per square metre (\$3,000) for commercial space (1,000sqm)

² Based on: STADIUM – 4,200 seats and a cost per seat rate (\$4,000) and benchmarking of oval redevelopments; COMMUNITY – Based on industry rates per square metre (\$2,000 - \$2,400) for indoor sports facilities (2,000sqm) and office and administration space (500sqm); HIGH PERFORMANCE – Based on benchmarking of the Michael Long Life and Learning Facility

³ Based on: STADIUM – 2,200 seats and a cost per seat rate (\$4,000) and benchmarking of oval redevelopments; HIGH PERFORMANCE – Based on benchmarking of the Michael Long Life and Learning Facility (minus aquatic and class room developments)

THE INTERMEDIATE OPTION WAS IDENTIFIED AS THE PREFERRED MASTER PLAN OPTION

PREFERRED MASTER PLAN OPTION

The preferred Master Plan option was determined to be the Intermediate Option as it:

- Achieves the overall objectives of the Master Plan
- Provides Council with a Master Plan at a (more) feasible capital cost
- Ensures that the Venue will be developed to a high quality, contemporary standard over the next 15 years
- Provides Stadium, Community and High Performance outcomes with the ability for future Commercial outcomes if presented
- Provides an immediate opportunity to explore integration with the proposed UTAS development

THE IMPACT OF THE MASTER PLAN ON OPERATIONAL EXPENDITURE (INCLUSIVE OF MAINTENANCE) HAS ALSO BEEN CONSIDERED

OPERATIONAL EXPENDITURE IMPACT¹

The Master Plan development options will impact on the Venue's operational expenditure, as outlined in the table below. To offset this, some of the projects, in particular the indoor sports facility, are expected to generate revenue and can be used as a cost recovery mechanism.

DEVELOPMENT	POTENTIAL INCREMENTAL OPERATIONAL EXPENDITURE
Replacement of Northern Terrace, including media & broadcast facilities	Expected to be in the vicinity of \$80,000 per annum ²
Upgraded RACT Railway Workers Hill	Expected to remain consistent with current operational expenditure
Refurbishment of Eastern Terrace	Expected to remain consistent with current operational expenditure
Replacement of Southern Terrace	Expected to be in the vicinity of \$90,000 per annum ³
Oval redevelopment	Expected to remain consistent with current operational expenditure
Community development including indoor sports facility, 'Sports House' and community recreation amenities	Expected to be in the vicinity of \$250,000 per annum ⁴
High Performance development including training facility and sports science education	Expected to be in the vicinity of \$200,000 per annum ⁵

¹ Excludes lifecycle costs

² Based on maintenance costs of 1% of indicative capital costs

³ Based on maintenance costs of 1% of indicative capital costs

⁴ Based on industry benchmarks of High Performance Centre operating expenditures (maintenance, utilities, cleaning, waste, security, insurance and wages)

⁵ Based on industry benchmarks of community sport facility operating expenditures (maintenance, utilities, cleaning, waste, security, insurance and wages)

7 IMPLEMENTATION PLAN



THE MASTER PLAN DELIVERY INVOLVES CONSIDERATION OF ONGOING VENUE OPERATION AND POTENTIAL FUNDING OPPORTUNITIES

KEY FINDINGS OF THIS SECTION

- The Master Plan (Intermediate Option) could potentially be staged over a 15 year period to allow for greater funding and operational flexibility:
 - **Stage 1 (0 to 5 years)** – The replacement of Southern Terrace inclusive of the High Performance development, improvements to stadium amenity, concession and concourse¹ and oval redevelopment
 - **Stage 2 (5 to 10 years)** – Replacement of the Northern Terrace, upgraded RACT Railway Workers Hill and refurbishment of the Eastern Terrace
 - **Stage 3 (10 to 15 years)** – Community development including indoor sports facility, ‘Sports House’ and community recreation amenities
- The staging could be fast-tracked subject to funding and priorities may change over time as the Venue evolves
- To deliver the Master Plan, Council should pursue an integrated investment model with key stakeholders, specifically UTAS, Tasmanian Government, Federal Government and the AFL incorporated

¹ Improvements to stadium amenity, concession and concourse would be undertaken as a complete project across the entire venue (inclusive of all stands) as part of Stage 1. This approach is optional and alternatively, improvements could be developed progressively across the three stages above.

**TO ALLOW FOR GREATER FUNDING AND OPERATIONAL FLEXIBILITY,
THE MASTER PLAN COULD BE COMPLETED IN THREE STAGES**

POTENTIAL MASTER PLAN STAGING

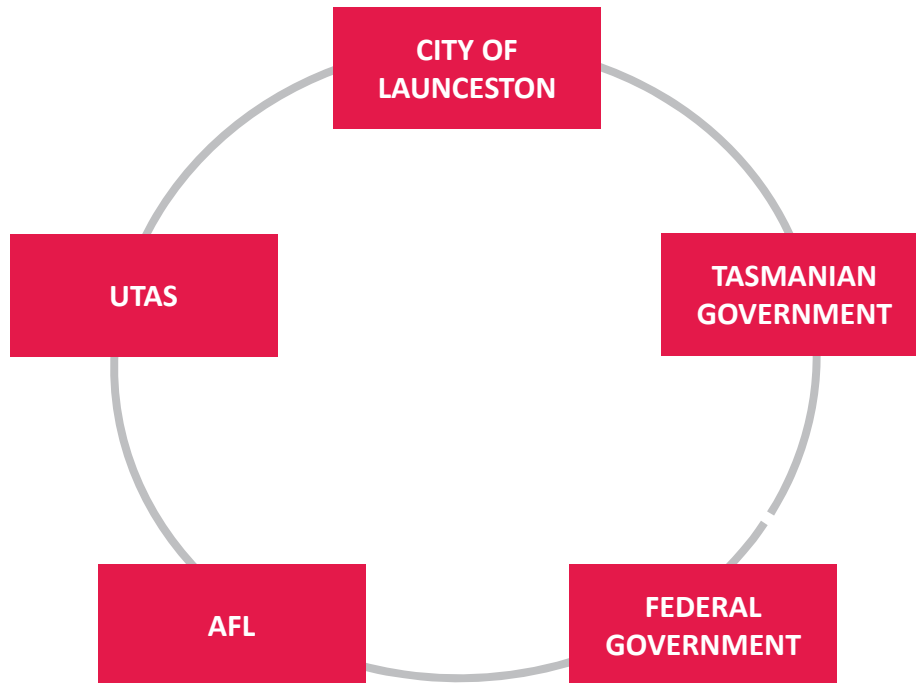
The staging and priorities may change over time subject to funding and opportunities that may be presented.

STAGE	<p>1</p> <p>STAGE 1 – 0 TO 5 YEARS</p>	<p>2</p> <p>STAGE 2 – 5 TO 10 YEARS</p>	<p>3</p> <p>STAGE 3 – 10 TO 15 YEARS</p>
DESCRIPTION	<p>Stage 1 could include:</p> <ul style="list-style-type: none"> • The replacement of Southern Terrace inclusive of the High Performance development • Upgraded and new stadium amenity, concessions, concourse, circulation and sense of arrival • Oval redevelopment 	<p>Stage 2 could include:</p> <ul style="list-style-type: none"> • Replacement of the Northern Terrace including media & broadcast facilities • Upgraded RACT Railway Workers Hill and refurbishment of the Eastern Terrace 	<p>Stage 3 could include:</p> <ul style="list-style-type: none"> • Community development including indoor sports facility, 'Sports House' and community recreation amenities
INDICATIVE COST ¹	<p>~\$26m</p>	<p>~\$9m</p>	<p>~\$5m</p>

¹ Indicative cost is based on the included projects of each stage and the capital cost assumptions outlined in Section 6

COUNCIL SHOULD PURSUE AN INTEGRATED INVESTMENT MODEL TO LEVERAGE AND MAXIMISE FUNDING OPPORTUNITIES

FUNDING OPTIONS



Council should pursue an integrated investment model that includes funding contributions from all key stakeholders in return for agreed outcomes. Key stakeholders, specifically UTAS, Tasmanian Government, Federal Government and the AFL should be incorporated.

Partnerships with multiple stakeholders will enable Council to leverage greater opportunities for funding.

THERE ARE A NUMBER OF LOGICAL NEXT STEPS TO PROGRESS THE MASTER PLAN FOR YORK PARK

IMPLEMENTATION PLAN

#	ITEM	COMMENT
1	Endorse the preferred Master Plan option and staging	The Project Steering Group should endorse its preferred Master Plan option and staging to take forward into the next phase of planning
2	Develop Master Plan concept plans and preliminary cost plan to establish Master Plan budget	Master Plan concept plans and a preliminary cost plan should be prepared to test site feasibility and set a Master Plan budget. In addition, Master Plan concept plans can be used as a communications tool with key stakeholders including UTAS, Tasmanian Government, Federal Government, Hawthorn Football Club and the AFL
3	Undertake detailed project scoping, concept development and feasibility assessment for Stage 1 of the Master Plan	To progress with Stage 1 of the Master Plan, further detailed scoping and analysis is required, including engagement with UTAS. This analysis should include assessment of operating models for actual projects included and will confirm proposed capital and operational funding requirements
4	Prepare a business case for Stage 1 of the Master Plan	Once the feasibility of Stage 1 is established, a business case should be prepared. The business case can inform Council funding decision making as well as support any funding submission or proposals to the Tasmanian Government, Federal Government and any other potential funding partners
5	Prepare funding submissions or proposals to potential funding partners	To secure funding, detailed funding submissions or proposals (supported by a business case) will likely have to be prepared for potential funding partners

8 APPENDICES



A APPENDIX A



APPENDIX A

LEASE / LICENSE AGREEMENTS

Asset	Tenant	Type	Term (Years)	Expiry	Annual Rent
York Park	Hawthorn Football Club	Agreement	5	2021	\$30,000
	North Launceston Football Club	Lease	10	2014*	\$12,554
	AFL Tasmania	Lease	10	2017	\$26,610
	Telstra	Lease	5	2017	\$16,391
	Optus	Lease	5	2016	\$16,391
	Tas Communications	Agreement	1	2016	\$13,636
Inveresk Precinct	Don River Railway	Lease	50	2054	\$0
	University of Tasmania (2 separate leases)	Lease	10 & 20	2016 & 2022	\$0 & \$5,000
	Department of Education	Lease	5	2016	\$70,743
	Royal National Agricultural & Pastoral Society	Agreement	99	2099	\$0
	Launceston Tramway Museum Inc (2 separate leases)	Lease	Both 20	Both 2027	\$0
	Honeybadger Pty Ltd	Lease	5	2017	\$73,301
	Invermay Bowls Club	Lease	5	2020	\$0
Invermay Park	North Launceston Junior Football Club	License	5	2020	\$3,750
	Old Launcestonians Football Club	License	5	2020	\$3,750
	Mowbray Cricket Club	Lease	5	2019	\$2,910

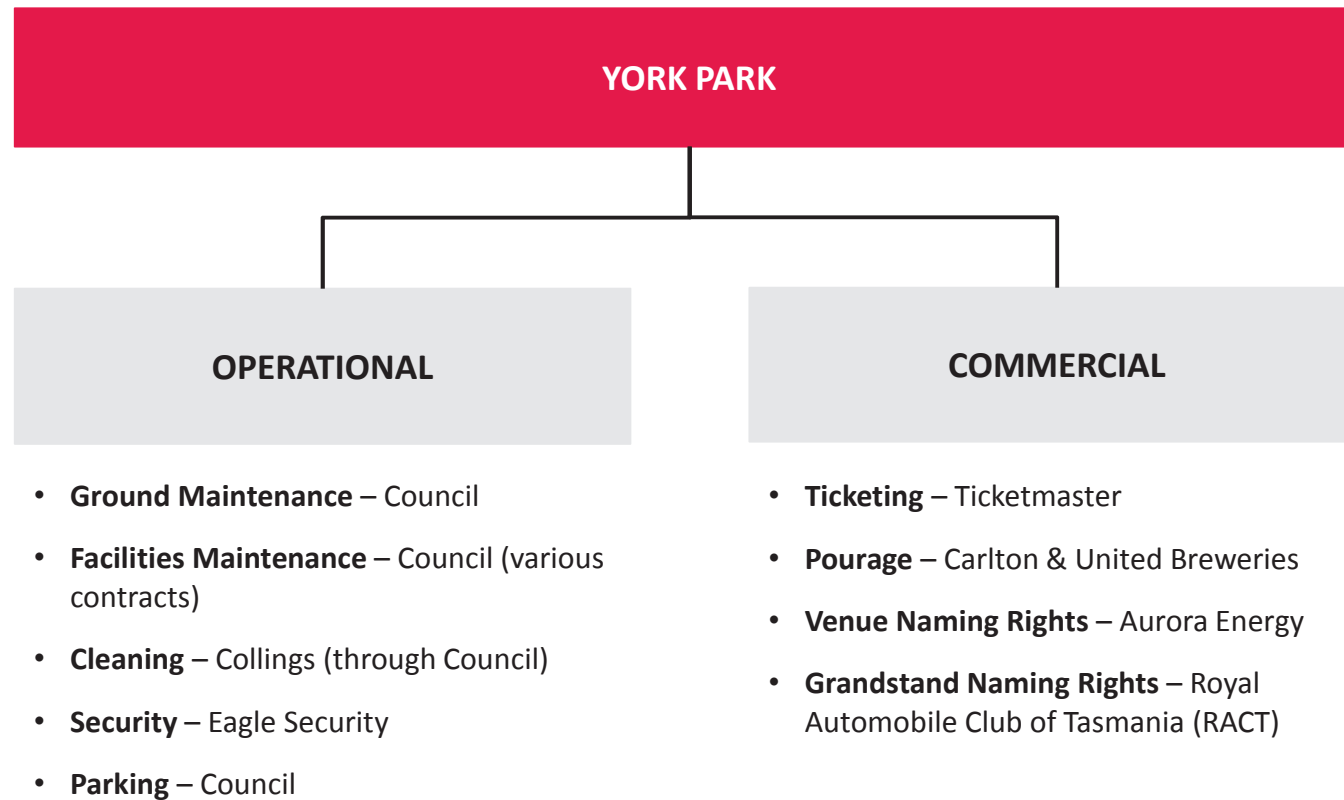
* Lease expired in 2014 and the new lease is still under negotiation

B APPENDIX B



APPENDIX B

OPERATIONAL & COMMERCIAL ARRANGEMENTS



C APPENDIX C



APPENDIX C

CURRENT EVENT AND USAGE PROFILE

Year	Events	Days
2015	AFL Football	5
	TSL Football	20
	AFL Tas Football	5
	AFL Masters Football	2
	Junior Football	2
	High School Football	2
	Primary School Football	0
	A-League	0
	Cricket	8
	Soccer Festival	3
	Music Festivals	0
	Other Events	42
	TOTAL EVENT DAYS 2015	89

APPENDIX C

HISTORIC EVENT AND USAGE PROFILE

Year	Events	Days
2014	AFL Football	5
	TSL Football	21
	AFL Tas Football	6
	AFL Masters Football	2
	Junior Football	2
	High School Football	2
	Primary School Football	2
	A-League	0
	Cricket	6
	Soccer Festival	3
	Music Festivals	0
	Other Events	14
	TOTAL EVENT DAYS 2014	63
2013	AFL Football	5
	TSL Football	15
	AFL Tas Football	6
	AFL Masters Football	0
	Junior Football	3
	High School Football	2
	Primary School Football	2
	A-League	2
	Cricket	6
	Soccer Festival	3
	Music Festivals	2
	Other Events	16
	TOTAL EVENT DAYS 2013	62

D APPENDIX D



APPENDIX D

INDICATIVE CAPITAL COST ASSUMPTIONS

ASSUMPTION	VALUE	BASIS
STADIUM		
Stadium Infrastructure (inclusive of improved amenities and media and broadcast facilities)	\$27.6m	Cost per seat of \$4,000 based off Quantity Surveyor benchmarks and existing seating of 6,900
Oval Redevelopment	\$2.5m	Benchmarking of Oval Redevelopments
Turf Practice Wickets	\$0.2m	Advice from turf contractor
COMMUNITY		
Indoor Sports Facility	\$4.0m	\$2,000/sqm cost based off industry benchmarks and indoor sports facility space of 2,000sqm
'Sports House'	\$1.2m	\$2,400/sqm cost based off industry benchmarks and community space of 500sqm
Community Recreation Facilities	\$0.2m	Based on industry benchmarks
HIGH PERFORMANCE		
High Performance Facility	\$15.0m	Benchmarking of Michael Long Life and Learning Facility, which is comparable in size and scope
COMMERCIAL		
Commercial Space (inclusive of health, retail and café)	\$3.0m	\$3,000/sqm cost based off industry benchmarks and commercial space of 1,000sqm

Gemba

CONTACTS

AUCKLAND OFFICE

Suite 3, Level 1
27 Gillies Avenue
Newmarket 1023

T +64 9 948 4179

.....

MELBOURNE OFFICE

1/175 Sturt Street
Southbank VIC 3006

T +61 3 9526 5700

.....

SYDNEY OFFICE

Level 3, 4-14 Foster Street
Surry Hills NSW 2010

T +61 2 8020 6550

.....

SHANGHAI OFFICE

1518 Xikang Road,
Bldg 13, Suite 1205
Shanghai 200060 China

T T +86 137 0185 1452

E info@thegembagroup.com

www.thegembagroup.com





APPENDIX 2: KPMG REPORT:
ESTABLISHMENT OF A STADIUM TRUST



Establishment of a Stadium Trust

Final Report

City of Launceston

March 2020

Disclaimers and limitations

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The findings in this report have been formed on the above basis.

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- the forecasts, projections or estimations are reasonable;
- the forecasts, projections or estimations will be achieved; or
- the underlying data and assumptions provided to us are accurate, complete or reasonable.

Contents

Key contacts

Peter Ball

KPMG Sports Advisory

Tel: (07) 3233 9449

Mob: 0419 576 974

pball@kpmg.com.au

Chad Gardiner

KPMG Sports Advisory

Tel: (07) 3233 9550

Mob: 0468 783 251

cjgardiner@kpmg.com.au

Joshua Abbott

KPMG Sports Advisory

Tel: (07) 3233 9381

Mob: 0402 846 688

jabbott@kpmg.com.au

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Executive summary

Executive summary

Project background

The City of Launceston (Council) currently owns and operates York Park (referred to as UTAS Stadium throughout this report) which hosts a number of AFL and other events each year. Council is also responsible for the operation and maintenance of Invermay Park and some of the open spaces within the broader Inveresk Precinct. When referring to UTAS Stadium throughout this report UTAS Stadium and Invermay Park are considered collectively (even if only referred to as UTAS Stadium).

UTAS Stadium is currently a net financial burden on Council and Council is not in a position to be able to make significant capital upgrades or undertake maintenance of expanded assets at the venue should these be required if Tasmania is successful in securing a permanent AFL licence.

Initial research, conducted by KPMG on behalf of Council, suggests there are alternative ownership models for major stadia such as UTAS Stadium including ownership by State Government in a standalone statutory authority or Trust. As such, KPMG was engaged to investigate the potential requirements and implications of establishing an alternative governance and operating model for the venue – namely transferring ownership and governance responsibilities of the venue to a new State Government 'Stadium Trust'. This has included analysis of potential requirements and implications from the perspective of:

- Legislation and governance.
- Organisational structure.
- Financial performance.

Legislation and governance

A review of the legislative instruments for seven State Government sporting venue trusts (collectively, the trusts) identified responsibility of a trust for between 1 (MCG Trust and Kardinia Park Trust) and 13 (VenuesWest) venues.

A number of key themes emerged from the review of the respective legislative instruments with a potential "leading practice" legislative model including the following characteristics:

- **Establishment of trust** - The entity is established as a trust with a body corporate trustee comprising a Board that can delegate responsibilities to Management.
- **Trustee's rights** - As a body corporate, the Trustee has rights to enter into contracts, deal with property, be sued, sue and exercise other rights of a body corporate.
- **Trustee's functions and powers** - The Trustee must use, maintain and develop the land, and use, manage, operate, maintain and update the facilities on the land.
- **Board of the Trustee** - The Board is comprised of directors with relevant skills and experience, appointed for a specific term and remunerated in accordance with a Ministerial determination.
- **Decision making** - The directors of the Board must make decisions that are appropriate and reasonable, in accordance with procedures.
- **The use of land** - The Trust has the power to grant leases and licences of the whole or any part of the land and can carry out works on the land subject to approval by the Minister.
- **Funding and budgets** - The Trust may receive funds (including potentially through government appropriations) and expend funds. The Trustee is to develop financial budgets and forecasts and manage financial inflows and outflows.

Please note that this is not an exhaustive list of all provisions (with other potential provisions outlined in the relevant report section) that could be included in a legislative instrument, and it does not purport to cover whether any additional matters need to be covered in subordinate pieces of legislation (i.e. regulations) in relation to specific matters such as public use of land and facilities and parking.

Executive summary (cont.)

Even if UTAS Stadium was transferred into a trust, Council may wish to continue being involved with the operations and/or development of UTAS Stadium in some capacity. Council's continued involvement may be addressed through, for example:

- Incorporating within the legislation a membership requirement for the Board that one member be nominated by Council;
- The establishment of an advisory Board sub-committee comprising representatives from Council;
- The opportunity for Council to contribute funding for particular purposes or activities (this could be arranged through a Memorandum of Understanding or similar instrument); and / or
- Participation in Management meetings by representatives from Council (again, this could be arranged through a Memorandum of Understanding or similar instrument).

Organisational structure

Currently UTAS Stadium has a staffing profile of 7 full time equivalent (FTE) staff, with salaries and wages (incl. on-costs) totalling approximately \$616k per annum. This excludes casual event staff or central Council administration staff whose contributions are charged back to UTAS Stadium through an administration cost allocation.

In relation to a trust model, we have investigated two potential alternative organisational structures for the future operating model of the Stadium, including:

- **Structure 1:** Simply overlaying a Board onto the existing structure; and
- **Structure 2:** Developing a structure similar to that of Kardinia Park Trust (noting this venue was recently transferred from council ownership to a single venue State Government trust).

A summary of the projected cost of each organisation structure is presented in the adjacent table.

Summary of potential organisation structures, annual costs				
	Operational FTE	Operational staffing costs	Board costs	Total cost
Existing Org Structure	7	\$616k	Nil	\$616k
#1 Board overlay	7	\$632k	\$80k	\$712k
#2 Kardinia Park Model	10	\$966k	\$80k	\$1,046k

Potential organisational structure 1 would likely be sufficient to continue to deliver effective operation of the venue, however, potential organisational structure 2 is more in line with that of other comparable trusts and is intended to reflect a more commercially focussed organisation with additional capacity to drive event activity / attraction and enhanced commercial arrangements.

It is also important to be cognisant of the issues that may arise as a result of transferring existing employees of Council to a State Government Trust. These particular rules can be complex and transitional provisions for retained employees would need to be considered in detail.

Financial performance

Historically UTAS Stadium has hosted between 6 and 7 major events per year, recording operating revenue of \$1.2m in FY19. Stadium operating costs are, however, substantial and totalled \$3.0m in this year (\$3.8m including depreciation). As a result the venue recorded an EBITDA deficit of \$1.8m in FY19 and an overall deficit of \$2.6m after depreciation.

It is noted that the financial performance of the venue is impacted negatively by the nature of the hiring agreement between the venue and Hawthorn Football Club (Hawks).

Executive summary (cont.)

Under this agreement, comprising 4 games per year until the end of the 2021 season, the Hawks retain a larger share of revenue and contribute to a smaller share of costs than a typical hiring agreement. This agreement is not considered 'commercial' and is understood to reflect the broader desire of the State Government and Council to attract AFL matches to Tasmania. The State does not bear any costs associated with this non-commercial arrangement.

In relation to a trust model, the projected financial performance of the venue was modelled under the following alternative scenarios:

1) Indicative financial performance for the Stadium under:

- **1A):** Potential trust organisational structure 1.
- **1B):** Potential trust organisational structure 2.

2) Indicative finance performance for the two identified alternative trust structure models, with two alternative operating scenarios, namely:

- **2A):** An alternative commercial arrangement with an AFL tenant whereby the Stadium is entitled to retain more commercial revenues.
- **2B):** A scenario whereby a second venue is added to the trust structure.

3) Indicative financial performance for the venue (under the current Council ownership model) were it go undergo significant capital investment (\$150m to increase capacity by 15,000) to attract a home AFL team (6 games per season).

The results of the financial analysis suggest:

- Scenario 1A and Scenario 1B are projected to result in a deterioration in financial performance relative to the current operating model due to the additional staffing costs.
- Scenario 2A is projected to result in an improvement in revenue by approximately \$138k per annum under all options.
- Analysis of Scenario 2B suggests the average staffing cost could decrease by approximately \$295k per venue (30%) if a trust was to be responsible for two

venues of the scale of UTAS Stadium. This analysis assumed no other efficiencies could be realised through operating two venues, which is considered conservative.

- EBITDA under Scenario 3 is projected to decline by approximately \$755k per annum when compared to the current model when considering the increased revenue associated with the additional capacity and additional events, and the additional maintenance costs of the larger venue. The overall result is projected to decline by approximately \$4.5m per annum given the significant increase in depreciation resulting from the capital investment.

Key observations

- UTAS Stadium is currently a net financial burden on Council and Council is not in a position to be able to make significant capital upgrades or undertake maintenance of expanded assets at the venue should these be required if Tasmania is successful in securing a permanent AFL licence.
- Initial research, conducted by KPMG on behalf of Council, suggests there are alternative ownership models for major stadia such as UTAS Stadium including ownership by State Government in a standalone statutory authority or trust.
- The trust model is a common ownership model for major stadia across many Australian states, with significant precedent to enable the establishment of leading practice legislation and governance for the ownership and management of UTAS Stadium under this model. Council may also wish to continue its involvement in the venue under a State Government trust model.
- A trust model will likely result in additional operating costs (largely related to staffing costs and board remuneration), however, is also anticipated to facilitate a more commercially focussed organisation with additional capacity to drive event activity / attraction and enhanced commercial arrangements.
- There are, however, synergies and incremental benefits of a trust model when additional venues are added to the portfolio (e.g. reduced staffing costs on a per venue basis).



Introduction

Project purpose and scope

Project background

The City of Launceston (Council) currently owns and operates York Park (referred to as UTAS Stadium throughout this report due to naming rights sponsorship) which hosts a number of AFL and other events each year. UTAS Stadium is located within the broader Inveresk Precinct, which also includes the Queen Victoria Museum, Launceston Tramway Museum, cafes, Invermay Park, and other open public spaces. Council is responsible for the operation and maintenance of UTAS Stadium, Invermay Park, and some of the open spaces within the precinct.

UTAS Stadium is currently a net financial burden on Council and Council is not in a position to be able to make significant capital upgrades or undertake maintenance of expanded assets at the venue should these be required if Tasmania is successful in securing a permanent AFL licence. Initial research, conducted by KPMG, also suggests there are alternative ownership models for Tier 2 stadia such as UTAS Stadium including ownership by State Government in a standalone statutory authority or Trust. Council also operates Invermay Park, an oval adjacent to the main UTAS Stadium. When referring to UTAS Stadium throughout this report, including when presenting staffing and financial performance, UTAS Stadium and Invermay Park are considered collectively (even if only referred to as UTAS Stadium). Council costs and staffing related to broader precinct activities are not included.

Project purpose and scope

Following on from KPMG's earlier engagement, the purpose of this scope of works is to further investigate the potential requirements and implications of establishing an alternative governance and operating model for the venue – namely establishing the venue within a new State Government 'Stadium Trust'.

Specifically, the scope of this engagement includes analysis of three key areas, including:

Legislation and governance

- Provide a summary of the governance structures at comparable sporting venue trusts.
- Conduct a desktop review of existing legislation governing the ownership and management of stadia within comparable sporting venue trusts.
- Analyse how these provisions may apply to the UTAS Stadium context.

- Consider whether there are any unique aspects of UTAS Stadium which would require bespoke provisions to be developed.
- On the basis of this work, set out the features of a "leading practice" legislative model that could be adopted in relation to UTAS Stadium.

Organisational structure

- Develop an indicative organisational structure for a Stadium Trust model based on the current organisational structure at UTAS stadium and comparison of the organisational structure at comparable Trust models in other jurisdictions, including key functional areas and FTE requirements.

Financial performance

- Analysis and presentation of current stadium financial performance of UTAS Stadium.
- Develop high level indicative financial projections (to the EBITDA level) for an 'average year' under a Stadium Trust model, based on existing financial performance of UTAS stadium and any projected incremental costs and revenues associated with the new model.
- Develop high level indicative financial projections (to the EBITDA level) for a Stadium Trust model under two alternative scenarios, namely:
 - An alternative commercial arrangement with an AFL tenant, at the expiry of the existing AFL contract in 2021, whereby the Stadium is entitled to retain more commercial revenues.
 - A scenario whereby a second venue is added to the Stadium Trust model. *Note, this scenario will be indicative only and be for the purpose of demonstrating the cost efficiencies of having more than one venue under the remit of the Stadium Trust.*
- Develop indicative financial projections (to the EBITDA level) for the venue (under the current Council ownership model) were it to undergo significant capital investment (i.e. indicatively \$100m - \$200m for a major upgrade of +15000 additional seats and relevant infrastructure) in order for Tasmania to host an AFL franchise.

Structure of report

Areas excluded from scope

The scope of works specifically excludes the following items:

- Formal legislative drafting instructions or drafting of proposed legislation itself.
- Detailed financial modelling (i.e. that which would be required for a formal feasibility study or business case).
- Detailed organisational design.

Structure of this report:

The remainder of this report is structured as follows:

- **Legislation and governance** – addresses the first scope element including summarising the governance and legislative landscapes at comparable sporting venue trusts and identifying the features of 'leading practice' legislation that could be adopted for a new Stadium Trust.
- **Organisational structure** – addresses the second scope element of developing an indicative organisational structure for a Trust model considering key functional areas and FTE requirements.
- **Financial performance** – addresses the third scope element of the following:
 - Analysis and presentation of current stadium financial performance;
 - Development of high level financial projections based on the new Trust(s) model;
 - Development of high level financial projections for a Trust model under two scenarios, including (1) an alternative commercial arrangement with an AFL tenant and (2) a second venue is added to the Trust model.
 - Development of high level financial projections for the venue (under current Council ownership model) were it to undergo significant capital investment to increase capacity.



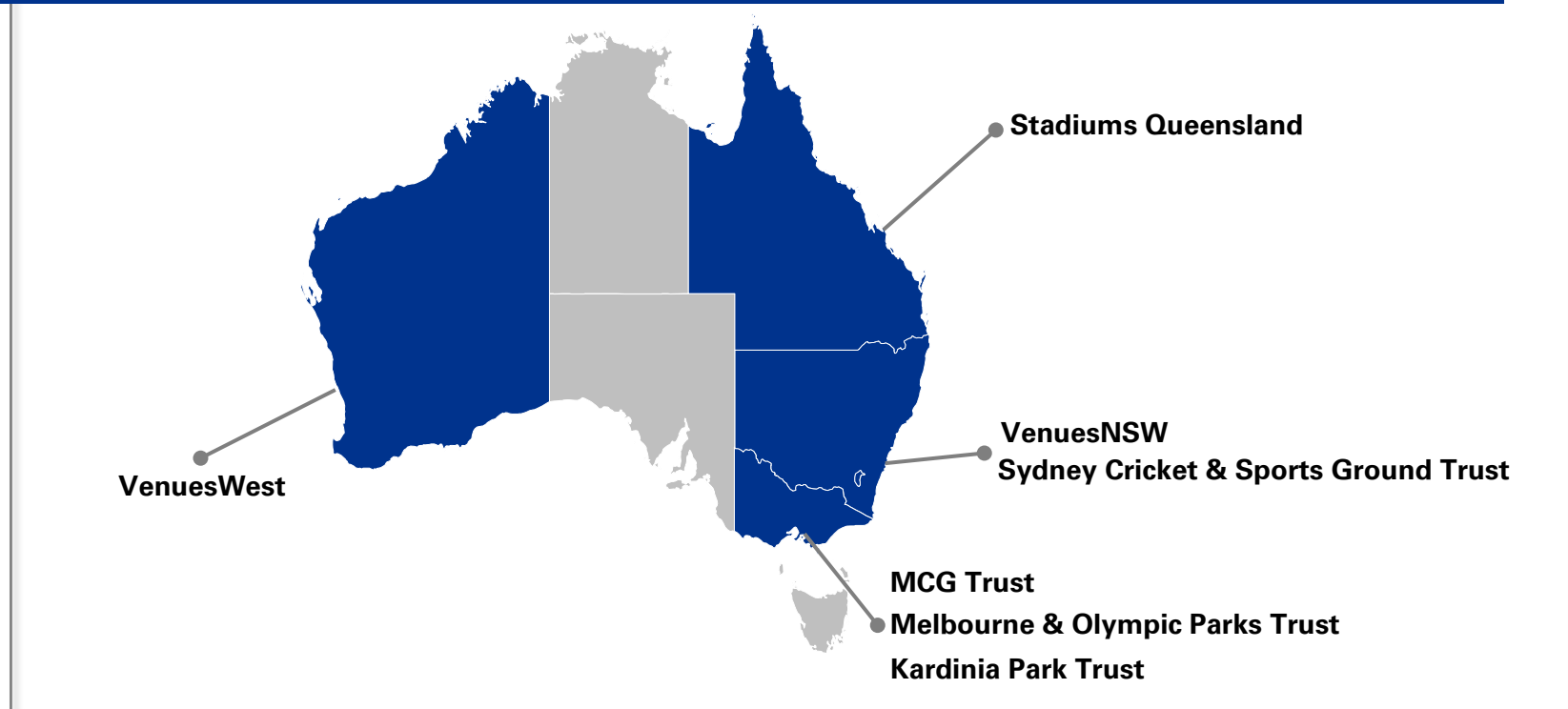
Legislation and governance

Introduction

Overview of analysed venue trusts

The following legislation and governance section provides a comparative overview of seven sporting venue trusts in Australia. The analysis includes sporting venue trusts in Queensland (1); New South Wales (2); Victoria (3); and Western Australia (1), (collectively, the **trusts**). The relevant trusts analysed are shown in the map below. It is noted that the operator of the Adelaide Oval, Adelaide Oval Stadium Management Authority, has not been included in the analysis as this is a non-government joint venture entity between the South Australian National Football League and the South Australian Cricket Association.

Comparable sporting venue trusts



Governance

Summary of the trusts

The following table provides a snapshot of the trusts for the FY18 year. The trusts range from being responsible for a single venue (i.e. the MCG Trust and Kardinia Park Stadium Trust) to being responsible for 13 venues (i.e. VenuesWest). Similarly, staffing ranges from 1 FTE (MCG Trust) to approximately 164 FTE (VenuesWest), noting that this is influenced by both the number of venues and the management model for each venue. Operating revenue ranges from \$4.7m for the MCG Trust (noting this is largely the lease from the venue operator) to almost \$250m at VenuesNSW, however, only two trusts recorded an operating profit – namely the MCG Trust (marginal after debt repayments) and VenuesNSW. With the exception of the Kardinia Park Stadium Trust and the Melbourne & Olympic Park Trust, Board of Directors remuneration was below \$200,000. Further details on the governance and organisation structure of each trust is presented at Appendix 1.

Theme	Stadiums Queensland	VenuesWest	Venues NSW	Kardinia Park Stadium Trust	Sydney Cricket & Sports Ground Trust	Melbourne & Olympic Parks Trust	MCG Trust
Entity type	Trust	Trust	Trust	Trust	Trust	Trust	Trust
Year established	2001	1986	2012	2016	1978	1985	1989
No. venues	9	13	6	1	2	3	1
Staffing (FTE)	132.4	163.8	24.7	14	115.5	97	1
Operating revenue	\$106.5m	\$109.6m	\$249.0m	\$5.6m	\$99.4m	\$111.7m	\$4.7m
Operating expenses	\$129.0m	\$185.4m	\$122.9m	\$6.3m	\$101.1m	\$115.9m	\$0.27m
Operating profit	(\$22.5m)	(\$0.4m)	\$126.0m	(\$0.6m)	(\$1.6m)	(\$4.2m)	\$0.06m
Assets	\$1,175.3m	\$1,922.4m	\$695.8m	\$165.7m	\$695.2m	\$1,994.2m	\$420.9m
Board remuneration	\$134,000	\$167,000	\$134,000	\$430,000 - \$439,999	\$192,000	\$500,000 - \$509,999	\$0

Legislation

The trusts, are all statutory entities that have been constituted by State-based legislation which establishes a trust and a body corporate trustee. Overall, the legislative approach to constitute the trusts and provide the trusts with powers, rights and obligations is fairly consistent across the trusts we have reviewed.

In relation to the trusts that we have reviewed, we identified the legislative instruments that constituted the relevant trusts and reviewed key provisions of the instruments across themes that were shared among the instruments we reviewed.

Summary of legislative instruments for trusts reviewed

The legislative instruments for the trusts we reviewed were fairly consistent. The following table summarises key topics addressed in the legislative models across the trusts reviewed. Further detail on the legislative instruments is provided at Appendix 2.

Theme	Stadiums Queensland	VenuesWest	Venues NSW	Kardinia Park Stadium Trust	Sydney Cricket & Sports Ground Trust	Melbourne & Olympic Parks Trust	MCG Trust
Entity established	Trust	Trust	Trust	Trust	Trust	Trust	Trust
Type of Trustee	Body corporate	Body corporate	Body corporate	Body corporate	Body corporate	Body corporate	Body corporate
No. of directors of Trustee	7	9	Between 7 and 11 inclusive	Between 4 and 8 inclusive	15	12	Between 6 and 8 inclusive
Management	Not specifically prescribed	Overseen by the CEO	Overseen by the CEO	Overseen by the CEO	Overseen by the CEO	Overseen by the CEO	Overseen by the Ground Manager
Use of land	The exact scope of use of land varies among the legislative instruments. Overall, rights to use land generally include granting leases and licences and permitting the limited development of the land. Restrictions on use of the land include disposal limitations and prohibitions on enhancing surrounding areas.						
Business planning	Not specifically prescribed	Not specifically prescribed	Plan of management to be prepared	Business plan to be prepared annually	Not specifically prescribed	Business plan to be prepared annually	Business plan to be prepared annually
State Gov. Funding	Not specifically prescribed	Appropriations by Parliament referred to as a potential source	Not specifically prescribed	Not specifically prescribed	Not specifically prescribed	Not specifically prescribed	Not specifically prescribed

Legislation (cont.)

Potential “leading practice” legislative model

Based on our review of the legislative instruments that constitute the trusts we have reviewed, we have identified similar themes that could exist in a legislative instrument for a newly formed stadium trust in relation to UTAS Stadium. Please note that this is not an exhaustive list of all provisions that could be included in a legislative instrument, and it does not purport to cover whether any additional matters need to be covered in subordinate pieces of legislation (i.e. regulations) in relation to specific matters such as public use of land and facilities and parking.

Theme	Potential provision/s (summary only, not descriptive)	Explanation and issues for further consideration
Establishment of trust	The entity is established as a trust with a body corporate trustee comprising a Board that can delegate responsibilities to Management.	A trust model with a body corporate trustee would enable the land and the facilities to be held on trust for the Tasmanian Government and be independently managed and operated by a corporate Trustee with the ability to delegate day-to-day management of the land and the facilities.
Trustee’s rights	As a body corporate, the Trustee has rights to enter into contracts, deal with property, be sued, sue and exercise other rights of a body corporate.	The Trustee’s legal rights would need to align to the rights that are prescribed to bodies corporate under law.
Trustee’s functions and powers	The Trustee must use, maintain and develop the land, and use, manage, operate, maintain and update the facilities on the land.	The scope of the Trustee’s functions and powers would need to be designed to ensure the Trustee is responsible for all aspects of the land and the facilities. Gaps could be covered by a power granted to the Minister to make directions on additional topics that may arise.
Board of the Trustee	The Board is comprised of directors, appointed for a specific term and remunerated in accordance with a Ministerial determination.	The composition of directors should ideally be diverse (i.e. skills, qualifications and experience) and of reasonable number to ensure appropriate and adequate decision making without being cumbersome. Appropriate conflicts of interests and duties considerations should be built into the recruitment process and remuneration assessment.
Decision making	The directors of the Board must make decisions that are appropriate and reasonable, in accordance with procedures.	Decisions should be made at meetings with appropriate checks and balances to ensure there are procedures to be followed, quorum requirements, participation by members and coverage of all relevant matters.
Management	The Board may delegate operations and management matters to Management.	The scope of Management’s responsibilities should be clearly stated, while not being overly broad, complicated or confusing. The Board will need to oversee Management.
Ministerial powers	The Minister has powers to appoint members of the Board, make regulations or rules, and give directions to the Trustee.	The scope of the Minister’s powers is a consideration for the Tasmanian Government. There could be an overall power for the Minister to make directions to ensure the operation and management of the land and facilities aligns to the Tasmanian Government’s expectations.

Legislation (cont.)

Theme	Potential provision/s (summary only, not descriptive)	Explanation and issues for further consideration
Use of land	The Trust has the power to grant leases and licences of the whole or any part of the land and can carry out works on the land subject to approval by the Minister.	The scope of the Trustee's rights to use the trust land would need to align to the approach the Tasmanian Government takes with other state-owned land precincts. Additional Trustee powers in relation to sale and acquisition of land would need to be considered.
Governance	Members of the Board may form committees to ensure operational and management considerations are addressed in specific fora to inform timely, complete and accurate decision making.	Any Board committees to be formed would be at the discretion of the Board.
Business / strategic planning	The Trustee must develop business plans, strategic plans and asset management plans.	The plans could address management and operation of the land and the facilities and include strategies to achieve the objectives of the trust to ensure the functional longevity of the land and the facilities.
Funding and budgets	The trust may receive funds and expend funds. The Trustee is to develop financial budgets and forecast and manage financial inflows and outflows.	To the extent possible, legislation could describe sources of funds (e.g. ticket sales, Tasmanian Government grants). In addition to financial audits, financial budgets and forecasting will help the Trustee operate and manage the land and facilities in a financially sound manner.
Borrowing	The Trustee may borrow funds in accordance with applicable laws and regulations.	The scope of the Trustee's power to borrow would need to satisfy applicable laws that apply to statutory authorities to ensure there are appropriate checks and balances on borrowed funds and how such funds are used.
Banking	The Trustee should develop separate accounts to manage funds and make investments.	Any accounts established should comply with applicable requirements under laws and regulations.
Investments	The Trustee may invest funds in accordance with applicable laws and regulations.	The scope of the Trustee's power to invest will need to satisfy applicable laws that apply to statutory entities to ensure there are appropriate checks and balances on how funds are invested to maintain appropriate financial management.
Gifts and donations	The trust may acquire property by gift, bequest or devise and may use the property on the conditions granted or in accordance with applicable laws and regulations.	The scope of the Trustee's power in relation to accepting a gift, bequest or devise should align to applicable laws and regulations and Tasmanian Government policy.
Engagement with public	The Trustee has powers to engage with the media and control public interactions in accordance with applicable laws and regulations.	The scope of the Trustee's powers to engage with the public should align to applicable laws and regulations and Tasmanian Government policy.
Liabilities	The liability of Trustees to be set in accordance with applicable policies, laws and regulations.	The scope of the Trustees' liabilities to align to applicable laws and regulations and Tasmanian Government policy.

Further considerations

With respect to the particular circumstances of UTAS Stadium, the Council may also wish to consider other factors, as outlined on this page.

Capital improvements

While the enabling legislation that we reviewed for the seven stadia do not contain specific legislative provisions in relation to capital improvements and the funding of such, some legislation contains references to general sources of funding, e.g. appropriations from the State, collection of fees from patrons, and funds derived from disposing assets. The Annual Reports for most of the Trusts provide some additional relevant information – these indicate that the majority of funding is derived from State government contributions.

In practice, the majority of funding for capital improvements for Tier 1 and Tier 2 stadia in Australia is sourced from capital grants from government i.e. these are typically not funded from the capital reserves of a stadium or through loans, even if the legislation allows for these funding sources.

Depreciation

While the enabling legislation that we reviewed for the seven stadia do not contain legislative provisions in relation to depreciation and the treatment of the reduction in value of capital items, the Annual Reports for the Trusts provide some relevant information. The Annual Reports indicate that the depreciation of finite life items follows applicable taxation rules and is calculated according to those rules and applicable accounting standards.

In practice, the there funding for depreciation costs is either to be sourced from operating revenues (e.g. Sydney Cricket & Sports Ground Trust) or partly / fully from government appropriations where operating revenues are insufficient (e.g. Stadiums Queensland).

Council's continued involvement with the UTAS Stadium

Council might wish to continue being involved with the operations and/or development of UTAS Stadium in some capacity given:

- its experience in operating and managing the facility for the benefit of the Launceston and Tasmanian community to date;

- its continued interest and responsibilities in relation to the surrounding areas; and
- the UTAS Stadium's role as an important asset for the broader Launceston community.

This might also assist the Tasmanian Government with matters in relation to strategic planning, community involvement and the longevity of the asset. Following any transfer of the UTAS Stadium to the Tasmanian Government's responsibility, Council's continued involvement may be addressed through, for example:

1. incorporating within the legislation a membership requirement for the Board that one member be nominated by Council;
2. the establishment of an advisory Board sub-committee comprising representatives from Council;
3. the opportunity for Council to contribute funding for particular purposes or activities (this could be arranged through a Memorandum of Understanding or similar instrument); and
4. participation in Management meetings by representatives from Council (again, this could be arranged through a Memorandum of Understanding or similar instrument).

Securing State Government funding

It is not uncommon for stadia to operate with limited funds. Given that the UTAS Stadium has recently operated at a loss, Council may consider recommending that the potential legislative instrument include an explicit recognition that funding may be provided by Tasmanian Government appropriation. Given the UTAS Stadium would be an asset held by the Tasmanian Government following the transfer, this may help provide a degree of comfort to a relevant Department that might have responsibility for a new trust.



Organisational structure

Current organisation structure

This section seeks to consider the implications on the venue’s organisational structure should it transition to a trust structure.

UTAS current organisational structure

UTAS’ current organisation structure is presented in the diagram opposite. The organisation is comprised of 7 full time equivalent (FTE) staff.

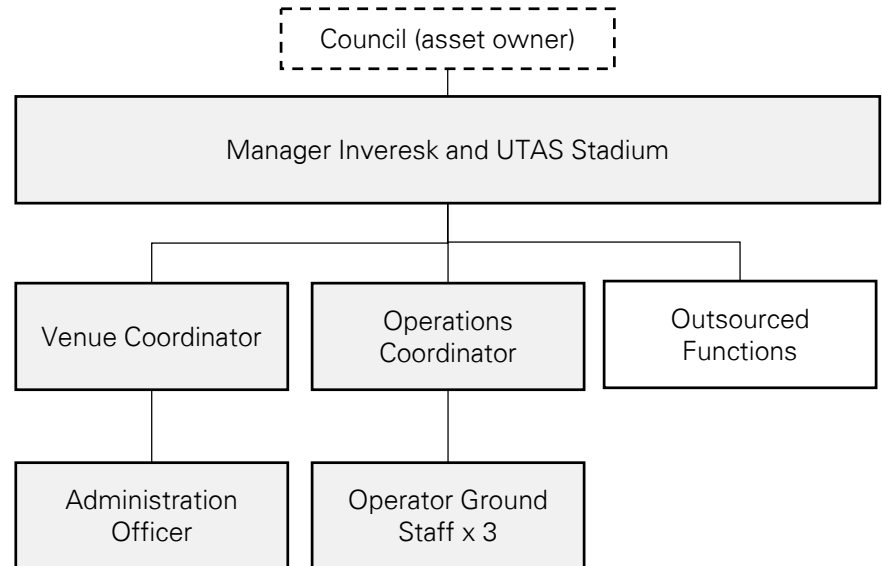
Two coordinators report directly through to the *Manager Inveresk and UTAS Stadium*, their roles are outlined below:

- Venue Coordinator:
 - Oversee the management of all events within the Precinct;
 - Engagement and planning with all Precinct Stakeholders to ensure effective event and non-event day operations;
 - First point of contact and liaison for the hire of all facilities;
 - Regular liaison with Event Owners (e.g. AFL, Cricket Australia, Cricket Tasmania and Hawthorn FC);
 - Manage UTAS Stadium website and all social media sites (Facebook, Twitter, and Instagram) including regular updates.
- Operations Coordinator:
 - Ensure the competent provision of curatorial services and staff, to Industry Best Practice standards, for a high profile sports event precinct with nationwide media coverage;
 - Maintain the playing surface at UTAS Stadium to a standard to provide for national games and activities;
 - Supervise staff and manage their activities so as to maintain the Inveresk precinct as required and directed;
 - Cricket wicket preparation for first class and local events.

The Venue Coordinator role is supported by an Administration Officer, whilst the Operations Coordinator is supported by three ground staff. The Stadium is also supported by Council which provides a range of back office functions (e.g. IT, Payroll, Finance, etc.).

The total cost of salaries for permanent employees of the venue, including wages and on-costs, is approximately \$616k per annum (excluding Council charges for back office functions). Based on base salary information provided, superannuation and on-costs are approximately 25% of base salaries. Additional labour costs are incurred for casual staff on event days.

Existing organisation structure



Potential organisation structures

Potential organisation structures

In assessing the potential organisational structure for the venue under a Trust model we have considered a number of factors:

- The current organisational structure and operating model;
- The event calendar of the venue; and
- The organisational structure of comparable trusts (refer Appendix 1).

Given these factors, we have investigated two potential organisational structures for the future operating model of the Stadium, including:

- Simply overlaying a Board onto the existing structure; and
- Developing a structure similar to that of Kardinia Park. This structure is intended to reflect a more commercially focussed organisation with additional capacity to drive event activity / attraction and enhanced commercial arrangements.

Each of these is outlined in further detail below.

Potential organisation structure #1: Board overlay on existing structure

This model involves the addition of a Board of Directors to sit above the operational structure and will report through to the asset owner, whilst largely retaining the existing organisation structure. The asset owner remains responsible for setting the outcomes they want to see achieved, and the Board is then responsible for the delivery of these outcomes. An example of the assumed organisation structure is presented opposite.

Based on comparator Trust models, the Board is expected to have the following characteristics:

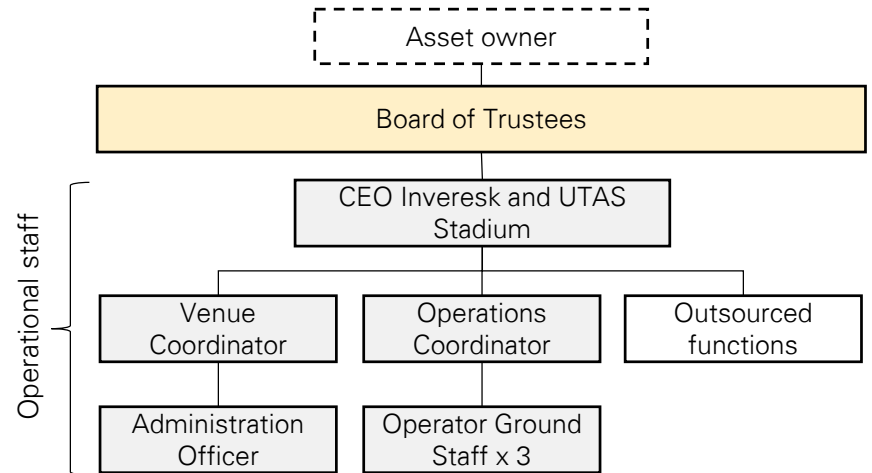
- **4-7** Board Members with an average salary of **\$15-20k per annum**
- An allowance for additional expenses (travel, meeting, subcommittee, other) of **\$5-15k** per annum.

This would result in an expected total cost of the Board of **\$65-155k** per annum.

For the purposes of this analysis, we have assumed a figure at the lower end of this range, notably **\$80k**, consisting of:

- 4 independent Board Members with an average salary of \$17.5k per annum, with the assumption that State Government and Council representation on the Board will be at no additional cost;
- An allowance of **\$10k** for additional expenses per annum.

Organisation structure #1: Board overlay on existing structure



The only change to the operational structure is assumed to be the relabelling of the Manager Inveresk and UTAS Stadium role to be CEO. It is also assumed the Stadium continues to outsource a range of back office functions (e.g. IT, payroll, finance, etc.) either to the Council or to another third party. Further, to reflect the additional responsibility of the CEO reporting directly to the Board (currently reports into Council), an increase of 10% to the CEO remuneration package has been assumed.

On this basis, the total cost of the organisational structure, including the Board costs (**\$80k**), is projected to be in the order of **\$712k**.

Potential organisation structures (cont.)

Potential organisation structure #2: Kardinia Park model

This model outlines a future potential organisation structure in line with that of Kardinia Park. Kardinia Park has been selected as the most appropriate comparator to UTAS Stadium as it is a trust with responsibility for a single venue.

Kardinia Park is located in Geelong, Victoria and is best known as the home ground for the Geelong Cats AFL team, as well as an alternate home ground for the Melbourne Victory (A-League), and Melbourne Renegades (Big Bash). The Stadium has also become the temporary home of new A-League franchise, Western United, until their Stadium is developed. The capacity of the Stadium is currently 38,000.

The Stadium was under local government ownership, but following significant redevelopment funding provided by the State Government in recent years, ownership has transferred to the Victorian Government in 2017 in the form of the Kardinia Park Stadium Trust. As at 2018, the Trust had an FTE count of 14 employees and is lead by an Executive Team comprised of the Deputy CEO (events and operations), GM Finance & Corporate Services, and GM Marketing & Communications each of whom are responsible for their own portfolio and report through to the CEO.

Taking the difference in capacity and event calendar into consideration, details of the potential organisational structure are presented in the adjacent chart. Details are also provided below.

Board

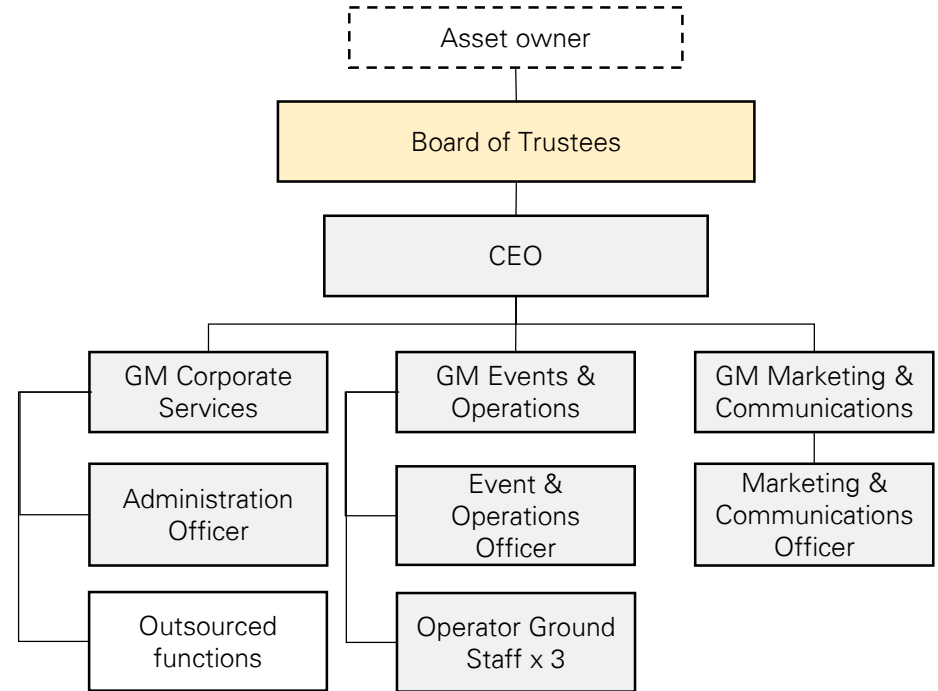
The Board is assumed to have the same characteristics as for organisational structure #1, i.e. 4 independent Directors at an annual cost of approximately \$80k (plus any State Government or Council representation at no cost).

Operational staff

This organisational structure equates to 10 FTE, including:

- **CEO** (1 FTE, \$177k package salary): Overall responsibility for operations of the venue, including reporting to the Board.
- **General Manager (GM) Corporate Services** (1 FTE, \$100k base salary): Responsible for corporate services such as finance, IT, HR and risk management. Reports to the CEO.

Organisation structure #2: Kardinia Park Model



- **GM Events & Operations** (1 FTE, \$100k base salary): Responsible for delivery of events and management of the venue, including the grounds. Also responsible for event attraction and commercial negotiations with hirers and partners. Reports to the CEO.
- **GM Marketing & Communications** (1 FTE, \$100k base salary): Responsible for branding, marketing and communications for the venue. Provides assistance to the GM Events & Operations with respect to event attraction and commercial negotiations. Reports to the CEO.

Potential organisation structures (cont.)

Under this model each GM is supported by an officer level position. The GM Events & Operations is also supported by three ground staff. No changes to salaries have been made for these staff. It has also been assumed that a third party continues to provide a range of back office services (i.e. IT, payroll, finance processing) to the organisation.

Under this alternative organisational structure, the expected operational staffing costs (including on-costs, superannuation) is expected to be in the order of **\$828k** per annum. When factoring in expected Board costs, the total salaries and wages cost is projected to be **\$908k**.

Other considerations - Employment of individuals

A review of the enabling legislation for the seven stadia reveals that Trusts generally have broad powers to employ individuals to assist with the operations and functions of the Trust. In effect it is up to the Trustee to determine whether it will employ individuals pursuant to individual bespoke employment agreements, or whether the employee's terms and conditions of employment will be provided for in an industrial instrument, such as an applicable modern award or an enterprise agreement. In some instances, the applicable legislation describes transitional provisions should employees of an existing entity transfer to a new entity.

Key insight

It is important to be cognisant of the issues that may arise as a result of transferring existing employees of Council to a State Government Trust. These particular rules can be complex and transitional provisions for retained employees would need to be considered in detail.

Summary of potential organisation structures

A summary of the potential organisation structures investigated in this section are outlined below.

Summary of potential organisation structures, annual costs				
	Operational FTE	Operational staffing costs	Board costs	Total cost
Existing Org Structure	7	\$616k	Nil	\$616k
#1 Board overlay	7	\$632k	\$80k	\$712k
#2 Kardinia Park Model	10	\$966k	\$80k	\$1,046k

Potential organisational structure 1 would likely be sufficient to continue to deliver effective operation of the venue, however, potential organisational structure 2 is more in line with that of other comparable trusts. Again, this structure is intended to reflect a more commercially focussed organisation with additional capacity to drive event activity / attraction and enhanced commercial arrangements.



Financial performance

Current state financial performance

This section considers the implications of changes to the underlying operations of the venue on its financial performance.

Stadium 'economics'

The financial performance of stadia is linked to the following:

- Capital costs: The upfront costs associated with the development of a large facility such as a stadium.
- Operating revenues / expenses: The day to day revenues and costs associated with the operations of the business.
- Life cycle costs (LCC): In addition to regular repairs and maintenance, major infrastructure assets such as stadia and arenas have an ongoing requirement for major capital replacement to keep the venue fit-for-purpose as elements within the venue come to the end of their economic useful lives. These costs are referred to as life cycle costs. Typically, life cycle costs are 'lumpy' across the life of the asset, and tend to range on average from between 1.5% to 3.5% of the asset replacement value per year over the life of the venue.

For Tier 2 stadia such as UTAS Stadium it is challenging to generate an operating surplus, particularly without a full-time home team. When other costs such as LCC are included this becomes even more challenging.

Stadia are not, however, typically considered financial assets and are therefore retained by Governments and Councils on the basis that they deliver broader social and economic benefits to their surrounding communities.

Current events at the venue

The event calendar is a key factor in financial performance of a stadium. UTAS Stadium currently hosts the following commercial events:

- AFL regular season: Hawthorn Football Club (Hawks) – 4 fixtures per season.
- Big Bash: Hobart Hurricanes (Hurricanes) – 1-2 fixtures per season.
- AFL pre-season: Hawks – 1 fixture per season.

The Stadium occasionally hosts some other events such as the Ricky Ponting Biggest Game of Cricket (2017), and Nitro Circus (2017).

The following table presents the historical event calendar for UTAS Stadium for the past five financial years. It is noted that the number of AFL games fluctuates between 3-5 per financial year depending on when the four seasonal fixtures each year fall within the schedule.

UTAS Stadium event calendar, FY15-FY19					
	FY15	FY16	FY17	FY18	FY19
AFL	3	5	3	5	3
AFL pre-season	1	1	1	1	1
Big Bash	0	0	0	1	2
Other Cricket	0	0	1	0	0
Nitro Circus	0	0	1	0	0
Total	4	6	6	7	6

Current state financial performance (cont.)

Event level returns

The following table presents average net event returns for the key events held at the Stadium in the 2019 financial year.

Average per-event returns to Council, FY19				
	# events	Revenue	Expenditure	Net surplus / (deficit) per event
AFL	3	\$130.1k	\$84.9k	\$45.2k
Big Bash	2	\$70.3k	\$97.1k	(\$26.9k)
AFL pre-season	1	\$40.0k	\$14.3k	\$25.7k

AFL events deliver the highest net event return to the Stadium with Big Bash events generating a net event loss on average. Overall, these events delivered a combined net event return of \$107k in FY19.

It is noted that the current AFL agreement (outlined later in this report) imposes on the Stadium a number of commercial arrangements that are relatively unfavourable with respect to a 'standard' agreement. Similarly, while the Big Bash events operate at a net loss, Government operated venues are often willing to operate some events at a loss in order to achieve other benefits such as generating tourism or other economic outcomes for a city / region.

Current state financial performance

The adjacent table presents the financial performance of the Stadium for FY19. The aforementioned event returns form a component of the overall financials for a venue (categorised as event day revenue and event day expenses). UTAS Stadium currently incurs at net loss at an operational level (i.e. EBITDA) of \$1.8m, representing a financial drain on Council resources. The asset also incurs significant depreciation, and whilst a non-cash item, it does impact the financial position of Council, and results in an overall net deficit of \$2.6m.

UTAS Stadium profit & loss (\$'000s)		
Category	Line item	Actual FY19
Event day revenue	Revenues	
	Match management income	50.0
	Corporate catering	320.6
	Catering rights	71.8
	Ticketing commission	35.7
	Surpluses on match returns	42.1
Other revenues	Other event day revenue	34.5
	Sponsorship income	466.0
	Lease income	43.1
	Rent York Park (incl. functions)	44.4
	Invermay Park Revenue	39.9
	Other miscellaneous income	55.6
Event day expenses	Total revenue	1,203.8
	Expenditure	
	Catering & corporate hospitality expense	298.8
	Catering AFL expense	65.0
	Labour expense	56.4
	Event day costs not passed through	77.7
Other expenses	Salaries and wages	950.6
	Maintenance	834.6
	Utilities	366.0
	Insurance	102.4
	Administration costs	124.2
	Internal services allocation	100.0
	Total expenditure	2,975.8
	EBITDA	-1,772.0
	Depreciation	811.9
	Operating result after depreciation	-2,583.9

Current state financial performance (cont.)

- Overall, the combined event revenue was approximately \$555k with corporate catering and catering rights being the largest contributors. This was offset by approximately \$498k in event expenses (with catering costs being the largest contributor), resulting in an overall net event result of approximately \$57k.
- Other revenue totalled \$649k in FY19 and was largely driven by *sponsorship income* (~\$466k), which includes naming rights from the University of Tasmania, as well as exclusive supply right fees (alcoholic and non-alcoholic pourage, ticketing rights etc.).
- Other revenue also includes \$40k of revenue attributable to Invermay Park.
- Other expenditure totalled \$2.48m in FY19, and was driven by *maintenance* (\$835k) which includes grounds maintenance, *salaries and wages* of permanent and other allocated staff (\$951k), and *utilities* (\$366k).
- For FY19 the venue generated an overall EBITDA loss of approximately \$1.8m. This net result has remained relatively stable over the past three years.
- Following depreciation expenditure of \$812k, the overall deficit deteriorates to approximately \$2.6m.
- Council currently incurs other costs for the Stadium including any capital replacement or enhancement expenditure.

Alternative scenario analysis

The remainder of this section seeks to project the financial performance of UTAS Stadium under a range of alternative scenarios. These include:

- 1) Indicative financial performance for the Stadium under:
 - **1A):** Potential trust organisational structure 1
 - **1B):** Potential trust organisational structure 2.
- 2) Indicative finance performance for the two identified alternative trust structure models, with two alternative operating scenarios, namely:
 - **2A):** An alternative commercial arrangement with an AFL tenant whereby the Stadium is entitled to retain more commercial revenues.
 - **2B):** A scenario whereby a second venue is added to the trust structure.
- 3) Indicative financial performance for the venue (under the current Council ownership model) were it go undergo significant capital investment.

1A and 1B) Trust model overlay

Impact of Trust Model overlay on profit and loss

The adjacent table shows the indicative financial position of implementing the two potential trust models as outlined in the previous organisation structure section, with no other changes to the existing performance of UTAS Stadium.

Scenario 1A: Board overlay of existing structure

- There are no incremental revenues associated with this scenario.
- Expenses are anticipated to increase by \$96k to \$3.07m as a result of the establishment of the Board (and associated expenses), as well as the increase in CEO salary. These costs have been included in salary and wages costs.
- EBITDA is projected to deteriorate to a deficit of \$1.87m, compared to the actual recorded EBITDA deficit of \$1.77m in FY19.
- Following depreciation expenses of \$812k, the net result is a deficit of \$2.68m, compared to a deficit of \$2.58m in FY19.

Scenario 1B: Kardinia Park model

- There are no incremental revenues associated with this scenario (noting that the additional resourcing included within this scenario has a purpose of attracting additional events and improving the commercial outcomes of the Stadium. Given the uncertainty of these outcomes, they have not been modelled).
- As per scenario 1A, anticipated Board costs of \$80k have been incorporated.
- The changes to the organisational restructure are anticipated to increase operational salaries and wages by approximately \$315k.
- Overall expenditure is projected to increase to \$3.41m (actual of \$2.98m in FY19).
- EBITDA is projected to deteriorate to a deficit of \$2.20m, compared to the actual recorded EBITDA deficit of \$1.77m in FY19.
- Following depreciation expenses of \$812k, the net result is a deficit of \$3.01m, compared to a deficit of \$2.58m in FY19.

UTAS Stadium profit & loss (\$'000s)				
Category	Line item	Actual FY19	Trust Models	
			Option 1	Option 2
Event day revenue	Revenues			
	Match management income	50.0	50.0	50.0
	Corporate catering	320.6	320.6	320.6
	Catering rights	71.8	71.8	71.8
	Ticketing commission	35.7	35.7	35.7
	Surpluses on match returns	42.1	42.1	42.1
Other revenues	Other event day revenue	34.5	34.5	34.5
	Sponsorship income	466.0	466.0	466.0
	Lease income	43.1	43.1	43.1
	Rent York Park (incl. functions)	44.4	44.4	44.4
	Invermay Park Revenue	39.9	39.9	39.9
	Other miscellaneous income	55.6	55.6	55.6
	Total revenue	1,203.8	1,203.8	1,203.8
Event day expenses	Expenditure			
	Catering & corporate hospitality expense	298.8	298.8	298.8
	Catering AFL expense	65.0	65.0	65.0
	Labour expense	56.4	56.4	56.4
	Event day costs not passed through	77.7	77.7	77.7
Other expenses	Salaries and wages	950.6	1,046.6	1,380.8
	Maintenance	834.6	834.6	834.6
	Utilities	366.0	366.0	366.0
	Insurance	102.4	102.4	102.4
	Administration costs	124.2	124.2	124.2
	Internal services allocation	100.0	100.0	100.0
	Total expenditure	2,975.8	3,071.8	3,406.0
	EBITDA	-1,772.0	-1,868.0	-2,202.2
	Depreciation	811.9	811.9	811.9
	Operating result after depreciation	-2,583.9	-2,679.9	-3,014.1

2A) Alternative commercial arrangement with AFL

Scenario 2A) Increased commercial revenues in AFL fixtures

This section analyses the potential impact of an alternative commercial arrangement for AFL events held at the venue on the indicative financial position for the Stadium (under both Trust models).

Hiring agreements between venue hirers and stadium managers are a key driver of the financial performance of stadia. Most hiring arrangements are complex and depend on facilities available to the hirer to sell, the size of the venue and the competition between venues for events. Ultimately the sharing of revenue and expenses between the hirer and venue manager in the form of a hiring agreement is the outcome of negotiations, where the deal may be made in a number of different ways to provide returns, and share risks and incentives across both parties, recognising that a manager and hirer relationship is a mutually beneficial agreement.

Typical hiring agreements across Australian stadia include one or more of the following revenue / cost sharing components:

- The sport retaining the majority of net ticketing revenue, with the venue to receive a share of this revenue - often based on a tiered approach where the venue's share increases as the number of patrons increases;
- The venue retaining a share of gross catering revenues as a catering commission with some sharing of this commission with the hirer;
- The venue retaining a share of the inside ticketing charge with some sharing of this revenue with the hirer;
- The venue retaining all, or a majority of, naming rights and supply rights at the venue; and
- The hirer being responsible for all event day expenses.
- The venue charging a 'hire fee'.

The current hiring agreement between Hawthorn and the Council spans the period 2017 – 2021 and was part of a broader State Government strategy to bring AFL to Tasmania. Details of the agreement are presented in the adjacent box.

Current Hawks hiring agreement (2017\$):

- Agreement valid for the period 2017 – 2021 (inclusive)
- Council to provide access to a 'clean stadium', free of ground rental charges
- Hawks retain majority of signage inventory
- Council retains naming rights sponsorship
- Council responsible for event day costs, with some costs recovered from Hawks
- Council retain catering rights and associated supply rights, however, with Hawks receiving a per game catering levy (\$25k per Category A game, \$15k per Category B game)
- Council receives a \$15k fee from the Hawks for ticketing and game day management plus a share of the ticketing inside charge and booking fee for each ticket purchased from the ticketing agency
- Council have rights to a 400 pax membership product, however, Hawks retain 75% of membership sales
- Hawks lease office accommodation at the Stadium for a fee of \$30k per year

Overall, this agreement is not considered 'commercial' and is understood to reflect the broader desire of the State Government and Council to attract AFL matches to Tasmania. The State does not bear any costs associated with this non-commercial arrangement.

2A) Alternative commercial arrangement with AFL (cont.)

Alternative hiring agreement

We have modelled a hiring agreement that is more in line with a regular tenant of a Stadium, based on the FY19 actuals. Under this agreement, the following changes have been assumed:

- **Ticketing revenue:** The venue receives a 10% share of the face value of ticketing commission.

Under the current agreement, Council collects ticketing revenue on behalf of the Hawks, with 100% of the face value of ticketing revenue reverting to the Hawks. Ticketmaster charges an inside charge + booking fee on each ticket purchased, and Council receives a share (approximately 15%) of this fee.

- **Catering rights fee:** No catering levy is payable to the Hawks.

Under the current agreement, the Council pays a catering levy to the Hawks during regular season AFL games of either \$15k for Category 'B' fixtures or \$25k for Category 'A' fixtures depending on the opposition.

- **Game day staffing costs:** Game day staffing costs are passed onto the hirer.

Under the current agreement, game day staffing costs are incurred by Council and not passed onto the hirer.

The impact on the average returns to Council are shown in the table below. Revenue would increase by approximately \$16.4k per event, whilst expenditure would reduce by \$29.7k. Overall these changes to the hiring agreement would effectively double the surplus retained by Council by \$46.0k per event. Across the three fixtures, this corresponds to a surplus of \$273.9k, an increase of \$138.2k from the current surplus of \$135.7k.

Average event returns to Council, FY19				
	# events	Revenue	Expenditure	Net surplus / (deficit)
AFL – current deal	3	\$130.1k	\$84.9k	\$45.2k
AFL – increased commerciality	3	\$146.5k	\$55.1k	\$91.3k

Overall, this would have improved the bottom line of the Stadium under the current model by \$138.2k, with a resulting EBITDA deficit of ~\$1.63m. Under scenario 1A and 1B, the EBITDA deficit is projected to be \$1.73m and \$2.01m respectively under this option.

2B) Trust model with two venues (cont.)

In this scenario it is expected that the management structure of the Trust will be able to operate with responsibility across both venues. Additional capacity is assumed within the 'corporate structure', including 0.5 FTE for an Administration Officer and 0.5 FTE for a Marketing & Communications Officer.

The event and operations functions are assumed to be replicated for each venue with the addition of an Event & Operations Coordinator at each venue now that the GM Events & Operations has responsibility for two venues.

Overall, the salary and wages cost for a trust model with two venues is projected to be in the order of **\$1.34m**. This includes the following variations from the single venue iteration of this structure:

- Event & Operations Coordinators have a base salary level of approximately \$80,000 (prior to superannuation and on-costs).
- Additional staff are employed at same salary rates as existing staff.

Assuming no other efficiencies or improvements are realised (i.e. no group purchasing benefits are realised), the adjacent table presents the projected efficiency gains from adding an additional venue to the portfolio. Key findings include:

- Under the previously explored alternative organisation structure (scenario 1B), the operational staffing cost was \$966k (10 FTE).
- The total cost across the two venues utilising the alternative organisation structure presented on the previous page is estimated at \$1.34m (15 FTE). On a per venue basis, the average cost across the two venues is \$672k.

On this basis, the addition of a like venue to the portfolio is projected to result in a staffing saving of \$295k against the existing and alternative (scenario 1B) organisation structure models on a per venue basis. This represents an efficiency gain of approximately 30% in staffing costs on per venue basis.

Salary and wages costs, multiple venues – operational staff				
Portfolio	Scenario / Trust Model	Venue	FTE	Salary + on costs
Single venue	(A) Scenario 1B	Venue 1	10	\$966k
Two venues	(B) Scenario 1B	Portfolio wide	7	\$759k
		Venue 1	4	\$292k
		Venue 2	4	\$292k
		Total	15	\$1,343k
		Cost per venue		\$639k
Variance	Cost per venue	(B-A)	Savings	\$295k

3) Major capital investment scenario

Major capital investment scenario

This final scenario considers the impact on financial projections for the venue (under the current Council ownership model) were it to undergo significant capital investment. This purpose of this scenario is to outline the impact on the financial sustainability of the venue in the case significant capital investment was required to secure additional AFL fixtures. Some of the overarching assumptions include:

- Capital investment in the order of \$150m is made.
- An incremental 15,000 (i.e. \$10k per seat) seats and relevant infrastructure is delivered.
- The sales rate of the 15,000 additional seats is 70%.
- Relevant operating revenues / costs are scaled in line with the development.
- Car parking is not expanded.
- Half a franchise's home games are secured (i.e. six home fixtures).
- The hiring agreement with remains the same as per the current agreement with the Hawks.
- Four fixtures are assumed to be Category 'A', and two are Category 'B'.

Event returns

The variable revenue and cost items are outlined in the adjacent table. These are scaled on a per person basis based on FY19 actuals at UTAS Stadium.

In addition, the match operations fee is based on the number of events hosted by the Stadium. This fee is \$15k per event, and with three incremental events in the scenario there will be an extra \$45k in revenue received by Council.

Similarly the AFL catering levy is based on the number of events hosted by the Stadium, and the opposition. There will be two incremental Category 'A' fixtures (\$25k per game), and one incremental Category 'B' fixture (\$15k per game). This corresponds to a total of \$65k across the season, or \$21.7k on average per additional event. The match operations fee and AFL catering levy are already included in the 'AFL – existing' line on the following page.

Incremental projected returns per event - AFL			
	FY19 per person	Additional seats (sales rate x avail seats)	Incremental revenue / expense
Revenues			
Corporate catering	\$5.48	10,500	\$57,519
Catering	\$1.46	10,500	\$15,354
Parking	\$0.19	No additional parks	\$0
Ticketing commission	\$0.32	10,500	\$3,344
Total revenues			\$76,217
Expenses			
Catering & corporate hospitality expenditure	\$4.13	10,500	\$43,371
Game day staffing costs	\$0.60	10,500	\$6,302
Total expenses			\$49,673
Net incremental revenue			\$26,544

3) Major capital investment scenario (cont.)

The following table outlines the overall impact on the revenues and expenditure derived from AFL games at the Stadium under this scenario where capacity is expanded.

AFL event returns with post capital investment			
	Revenue	Expenditure	Net surplus / (deficit)
AFL - existing	\$130.1k	\$84.9k	\$45.2k
Add incremental revenues / expenses	\$76.2k	\$49.7k	\$26.5k
Total per fixture	\$206.3k	\$134.6k	\$71.7k
Six fixtures	\$1,237.8k	\$807.6k	\$430.2k

Based on the identified assumptions the surplus generated per fixture is projected to increase from \$45k to \$72k, generating a total event surplus of \$430k over the six assumed fixtures. This compares to a surplus of \$136k generated across the three actual FY19 fixtures.

Other cost considerations

Life cycle costs

Any major capital investment brings with it additional maintenance and life cycle costs (LCC). In our experience, annual expenditure benchmarks for these two cost items are as follows:

- Maintenance: 0.7% - 1.0% of asset replacement value (in this case \$150m). The assumption applied in this exercise is the lower end of benchmark spend (1.0%).
- LCCs: 1.5%-3.0% of asset replacement value. The assumption applied in this exercise is the lower end of benchmark spend (1.5%).

On an investment of \$150m, this corresponds to an annual maintenance cost of \$1.05m and an annual LCC of \$2.25m. The additional maintenance alone is projected to be in excess of the additional AFL event returns.

Depreciation

While LCC reflects the actual capital expenditure required to ensure an asset reaches the end of its economic useful life, these costs (nor the initial capital investment) do not enter the profit and loss statement of the venue. Depreciation costs, however, do enter the profit and loss statement.

Development of new stadia or major stadium redevelopments are typically considered to have an economic useful life of between 30 and 60 years (noting that elements within such a development have varying useful lives). If the simplistic assumption is made that the redevelopment has an economic useful life of 40 years, the annual depreciation cost would be in the order of \$3.75m.

Offsetting revenue

It should be noted, however, that any other incremental events that could be attracted to the stadium as a result of the capital investment (e.g. concerts) may assist in minimising this incremental deficit. Similarly, there may also be an opportunity to renegotiate the hiring agreement with the Hawks to reflect the significant capital investment made.

3) Major capital investment scenario (cont.)

Overall financial performance projection

Overall, the impact of this investment is projected to result in an increase the ongoing annual financial burden on Council. Whilst there is benefit generated from an event day perspective, the additional maintenance expenditure requirement is projected to result in the Stadium's EBITDA deficit deteriorating from the recorded \$1.8m deficit in FY19 to a projected deficit of \$2.5m (assuming no new content other than the three additional AFL games).

It should be noted that some event day line items appear to be over three times greater than the current state. This is due to the number of AFL events doubling, along with what is in essence a doubling of capacity.

Additionally, the projected annual average depreciation of \$3.75m (over and above the existing depreciation) is also projected to increase the overall financial burden on Council, resulting in a projected net deficit of \$7.1m.

It should be noted that depending on the ability of venue management to on-charge costs to hirers, a number of costs to the venue (such as utilities and insurances) may increase further deteriorating the financial position of the venue.

UTAS Stadium profit & loss (\$'000s)			
Category	Line item	Actual FY19	Capex investment
Event day revenue	Revenues		
	Match management income	50.0	95.0
	Corporate catering	320.6	885.3
	Catering rights	71.8	222.5
	Ticketing commission	35.7	68.6
	Surpluses on match returns	42.1	56.9
Other revenues	Other event day revenue	34.5	74.1
	Sponsorship income	466.0	466.0
	Lease income	43.1	43.1
	Rent York Park (incl. functions)	44.4	44.4
	Invermay Park Revenue	39.9	39.9
	Other miscellaneous income	55.6	55.6
Event day expenses	Total revenue	1,203.8	2,051.4
	Expenditure		
	Catering & corporate hospitality expense	298.8	724.5
	Catering AFL expense	65.0	130.0
	Labour expense	56.4	118.3
	Event day costs not passed through	77.7	77.7
Other expenses	Salaries and wages	950.6	950.6
	Maintenance	834.6	1,884.6
	Utilities	366.0	366.0
	Insurance	102.4	102.4
	Administration costs	124.2	124.2
	Internal services allocation	100.0	100.0
	Total expenditure	2,975.8	4,578.4
	EBITDA	-1,772.0	-2,527.0
	Depreciation	811.9	4,561.9
	Operating result after depreciation	-2,583.9	-7,088.9

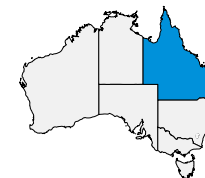
Summary of financial performance scenarios

The following table provides a summary of the financial performance scenarios outlined in this section.

Summary of financial performance scenarios		
Scenario	Description	Commentary
FY19 Actual	Actual financial performance of the Stadium in FY19	<ul style="list-style-type: none"> Significant annual operating loss in the order of \$1.77m (EBITDA level). In addition, Council is responsible for all LCC. Current operations present a substantial financial drain on Council.
Scenario 1A	Overlay of alternative organisational structure 1 i.e. addition of a Board of Directors to the existing structure.	<ul style="list-style-type: none"> Establishment of a Board expected to cost \$80k based on comparator Trust Board models, with an assumption that some Director positions will be filled by State Government or Council staff at no additional cost. EBITDA is projected to deteriorate to a deficit of \$1.87m, compared to the actual recorded deficit of \$1.77m in FY19.
Scenario 1B	Overlay of alternative organisational structure 2 i.e. addition of a Board of Directors plus restructuring of staff to align to the Kardinia Park organisational structure.	<ul style="list-style-type: none"> Operational organisation structure of 10 FTE at a cost of \$966k. Establishment of a Board expected to cost \$80k based on comparator Trust Board models. EBITDA is projected to deteriorate to a deficit of \$2.20m, compared to the actual recorded deficit of \$1.77m in FY19 (noting that no additional events or revenues have been modelled in this scenario).
Scenario 2A	Scenario 1B plus the negotiation of a more favourable hiring agreement with the AFL that is in line with hiring agreements at other venues.	<ul style="list-style-type: none"> A more favourable commercial deal, including 10% ticket revenue share, removal of catering levy, and game day labour costs passed onto the hirer. Surplus on a per-event basis rises from \$45k to \$91k. Over three events, this corresponds to a surplus of \$274k, an increase of \$138k.
Scenario 2B	Scenario 1B plus the addition of an additional venue of similar scale and event calendar to the trust portfolio.	<ul style="list-style-type: none"> Adding an additional venue allows staff (particularly management) to oversee two venues which can deliver additional cost efficiencies and result in a lower cost per Stadium. The total cost across the two venues utilising the alternative organisation structure is estimated at \$1.34m (15 FTE). On a per venue basis, the average cost of salaries and wages across the two venues is projected to be \$672k and may lead to an efficiency gain of approximately 30%.
Scenario 3	FY19 Actual plus significant capital investment (\$150m) to attract a full time AFL franchise to Tasmania, with 6 home fixtures being played at UTAS Stadium each year.	<p>In a scenario whereby the Stadium receives major capital investment (\$150m), delivering 15,000 additional seats with an assumed sales rate of 70%, and securing six AFL games per season, the following is observed:</p> <ul style="list-style-type: none"> The surplus per event is expected to increase from \$45k to \$72k, generating a surplus of \$430k over the six fixtures. This compares to \$136k generated across the three actual FY19 fixtures. The additional maintenance cost of the new facility is expected to be in excess of the additional AFL event returns. The Stadium's EBITDA deficit deteriorates from the recorded \$1.77m deficit in FY19 to a projected deficit of \$2.53m. Incremental depreciation of \$3.75m in addition to existing depreciation will also increase the overall financial burden on Council.



Appendix 1: Trust summaries



Overview

Stadiums Queensland (SQ) is the statutory authority which manages, operates and promotes the use of Queensland’s major sport, entertainment and recreation facilities on behalf of the Queensland Government. It was established in 2001 through the passing of the *Major Sports Facilities Act 2001*.

Strategic objectives

The strategic objectives of SQ as outlined in its *Summary of Strategic Direction 2019-2023*¹, include:

- 1) Amazing customer experiences.
- 2) Financial growth and sustainability.
- 3) Maximise content.
- 4) Collaborative stakeholder relationships.
- 5) High performing organisations.

Venues and venue management

SQ have ownership of a wide range of assets with differing characteristics, including Tier 1 major stadia, entertainment centres, and elite / community participation facilities. The portfolio has a total of 9 assets, and the mix includes:

- Tier 1 Stadia: 2
- Tier 2 Stadia: 3
- Entertainment: 1
- Elite / community participation: 2
- Other: 1

SQ employs a range of approaches to venue management across its portfolio, and the selected management model is a function of the venue’s management history, and the specific operational and risk profile for that venue.

Source: ¹[Stadiums Queensland – Strategic Direction](#)
²[Stadiums Queensland – Annual Report 2017-18](#)



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SQ’s current management models include:

- In-house management (e.g. the Gabba);
- Management agreement with a private sector venue operator (e.g. Brisbane Stadium); and
- Long-term lease (e.g. Carrara Stadium).

The table on the following page provides further details on these venues and their management models.

Organisational structure

There are four key divisions within the SQ organisational structure that report through to the Chief Executive who follows the strategic direction set by the Board of Directors. These four key divisions are:

- Assets and Facilities;
- Operations and Commercial;
- Technology Services; and
- Finance and Corporate Services.

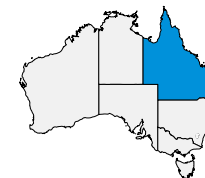
The total number of Full Time Equivalent (FTE) employees as at 30 June 2018 was 132.4². The organisation structure can be found on the subsequent page.

Financial performance summary – FY18

SQ financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY18	106.5	129.0	(22.5)	1,175.3

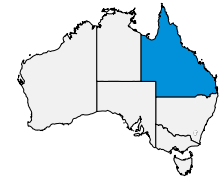
Total Board of Directors remuneration was \$134,000 across the year.

Stadiums Queensland (cont.)

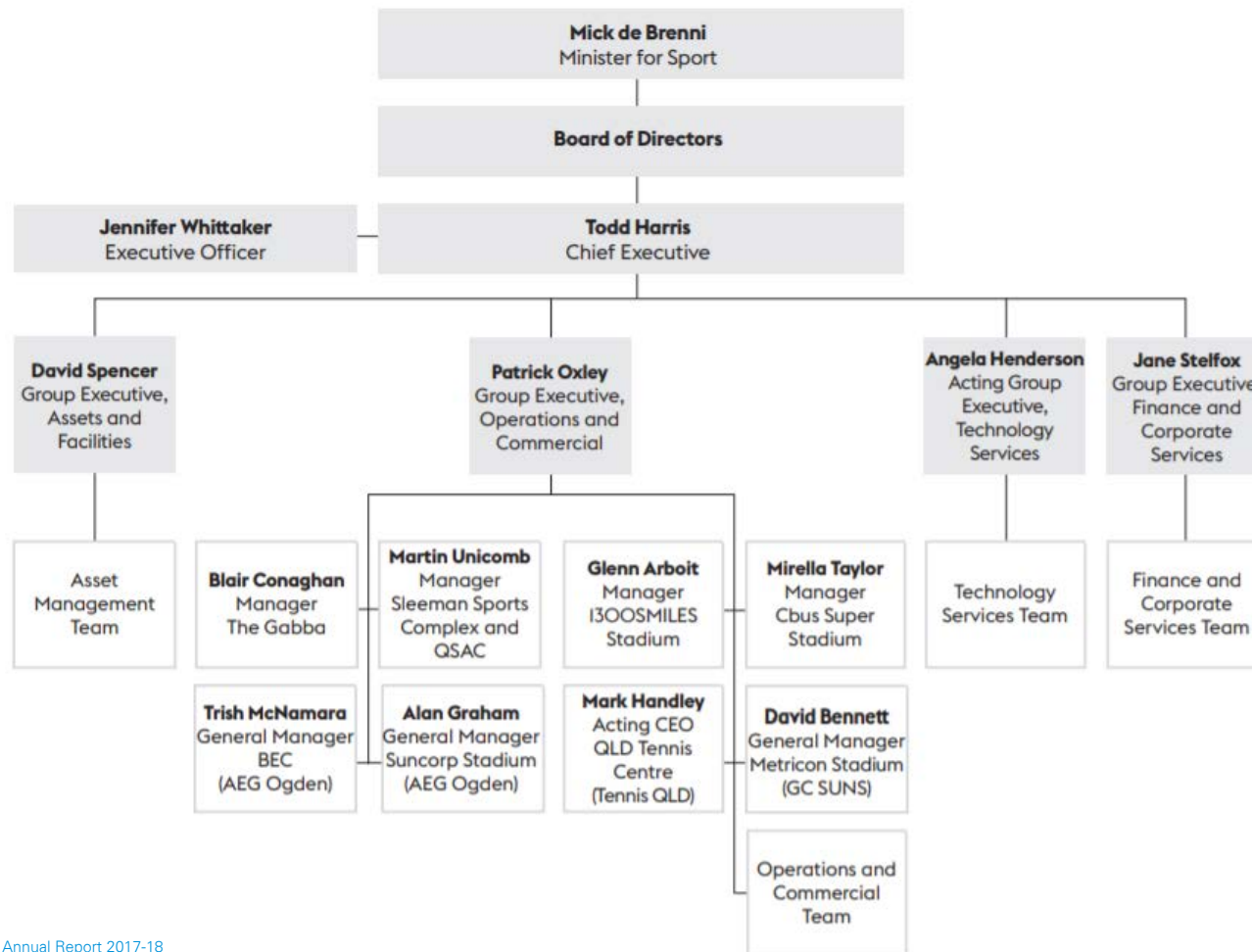


SQ venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Brisbane Stadium	Suncorp Stadium	Tier 1 Stadia	52,000	Rectangular	Management agreement	AEG Ogden
Gabba	NA	Tier 1 Stadia	42,000	Oval	In-house	Stadiums Queensland
Carrara Stadium	Metricon Stadium	Tier 2 Stadia	25,000	Oval	Lease	AFL / Gold Coast Suns
Robina Stadium	Cbus Super Stadium	Tier 2 Stadia	27,400	Rectangular	In-house	Stadiums Queensland
Townsville Stadium	1300 Smiles Stadium	Tier 2 Stadia	26,500	Rectangular	In-house	Stadiums Queensland
Brisbane Entertainment Centre	NA	Entertainment centre	14,500	Arena	Management agreement	AEG Ogden
Queensland Tennis Centre	NA	Other	5,500	Other	Lease	Tennis Queensland
Queensland Sports & Athletics Centre	NA	Combined elite & community participation facility	49,000 (main stadium)	Oval (athletics)	In-house	Stadiums Queensland
Sleeman Complex	NA	Combined elite & community participation facility	The Sleeman Complex Centre has a range of facilities, including the Brisbane Aquatic Centre, BMX Supercross Track, Chandler Indoor Arena, Chandler Theatre, Queensland State Gymnastics Training Centre, Dry Land Diving facility, and the Chandler Outdoor Velodrome.		In-house	Stadiums Queensland

Stadiums Queensland (cont.)



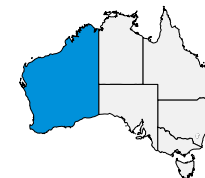
Organisational chart



Source: [Stadiums Queensland – Annual Report 2017-18](#)



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Overview

VenuesWest is a government statutory authority in Western Australia, with the Board reporting to the West Australian Minister for Sport and Recreation. VenuesWest owns and manages Western Australian sport and entertainment venues on behalf of the State Government – and currently has a portfolio of 13 venues. VenuesWest was established under the *Western Australia Sports Centre Trust Act 1986*.

Strategic objectives

The strategic objectives of VenuesWest as outlined in its *Strategic Plan 2016-21*³, include:

- 1) Deliver outstanding customer experiences.
- 2) Ensure our portfolio of sport and entertainment venues is fit for purpose.
- 3) Engage a workforce that is aligned, highly capable and adaptable.
- 4) Realise commercial success to subsidise high performance sport and enable reinvestment into our venues.
- 5) Secure world class events.

Venues and venue management

VenuesWest has ownership of a wide range of assets with differing characteristics, including Tier 1 and 2 stadia, entertainment venues and elite / community participation facilities. The portfolio has a total of 13 assets, and the mix includes:

- Tier 1 Stadia: 1.
- Tier 2 Stadia: 1.
- Entertainment: 1
- Elite / community participation: 10

VenuesWest employs four management models across its portfolio, and the selected management model dependent on the use types and tenancy type for that venue.

These management models include:

- In-house management (e.g. Perth Oval);
- Management agreement with a private sector venue operator (e.g. Perth Arena);
- Co-managed – where a primary tenant is responsible for the majority of usage (e.g. Bendat Basketball Centre); and
- Lease (e.g. WA Rugby Centre).

The following page provides further detail on these venues and management models.

Organisational structure

There are five key divisions within the VenuesWest organisational structure that report through to the Chief Executive who follows the strategic direction set by the VenuesWest Board. The five divisions are:

- Portfolio Management;
- Strategy and Partnerships;
- Corporate Services;
- Executive Services; and
- Operations.

The total number of Full Time Equivalent (FTE) employees as at 30 June 2018 was 163.8⁵. The organisation structure can be found on the subsequent page.

Financial performance summary - FY18

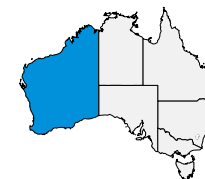
VenuesWest financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY18	109.6	185.4	(0.4)	1,922.4

Total Board of Directors remuneration was \$167,000 across the year.

Source: ³[VenuesWest Strategic Plan 2016-21](#)

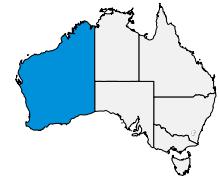
⁴[VenuesWest Annual Report 2017-18](#)

VenuesWest (cont.)

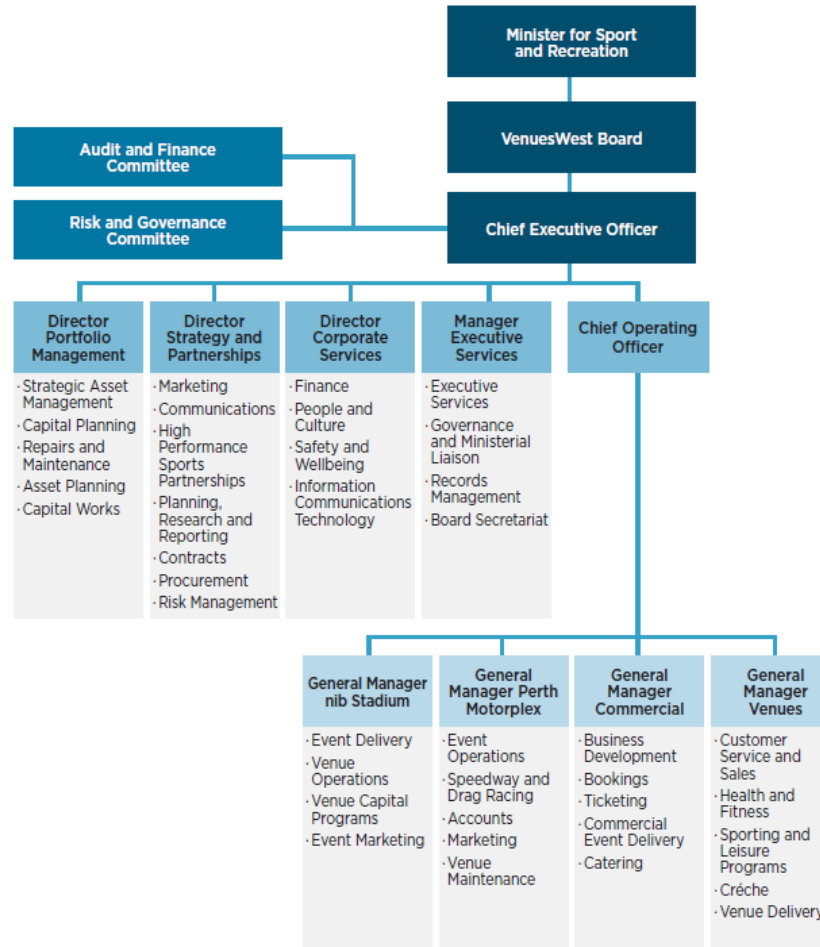


VenuesWest venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Perth Stadium	Optus Stadium	Tier 1 Stadia	60,000	Oval	Management agreement	VenuesLive
Perth Oval (Perth Rectangular Stadium)	HBF Park	Tier 2 Stadia	20,000	Rectangular	In-house	VenuesWest
Arena Joondalup	HBF Arena	Combined elite & community participation facility	16,000	Multi-purpose sport and aquatic facilities	In-house	VenuesWest
Perth Arena	RAC Arena	Entertainment centre	15,500	Indoor arena	Management agreement	AEG Ogden
Perth Motorplex	NA	Combined elite & community participation facility	15,000	Other	In-house	VenuesWest
WA Athletics Stadium	NA	Combined elite & community participation facility	12,000	Oval (athletics)	In-house	VenuesWest
Champion Lakes Regatta Centre	NA	Combined elite & community participation facility	10,000	Other	In-house	VenuesWest
Perth Superdrome	HBF Stadium	Combined elite & community participation facility	5,000	Arena	In-house	VenuesWest
Speeddome	NA	Combined elite & community participation facility	3,000	Velodrome	In-house	VenuesWest
Bendat Basketball Centre	-	Combined elite & community participation facility	2,500	Multi-purpose stadium	Co-Management Agreement	Basketball WA
State Netball Centre	NA	Combined elite & community participation facility	1,050	Other	Co-Management Agreement	Netball WA
WA Rugby Centre	NA	Elite athlete facility	NA	Other	Lease	WA Rugby
WA Institute of Sport High Performance Centre	NA	Elite athlete facility	NA	Other	Lease	WAIS

VenuesWest (cont.)



Organisational chart



Source: [VenuesWest – Annual Report 2017-18](#)



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Overview

Venues NSW was established under the *Sporting Venues Authority Act 2008*, and commenced as a single Statutory Authority in 2012, replacing three former regional sports venues authorities - Illawarra Venues Authority, Parramatta Stadium Trust and Hunter Region Sporting Venues Authority. Section 12 of the Act establishes Venues NSW as a regional sporting venues authority whilst Section 14 of the Act sets in place a Board, subject to the control and direction of the Minister. Changes to the Act in April 2017 vested Stadium Australia to the Venues NSW portfolio. Venues NSW forms part of NSW Government's Industry Cluster along with Office of Sport, Sydney Olympic Park Authority, Sydney Cricket and Sports Ground Trust, and NSW Institute of Sport.

Strategic objectives

In its *Annual Report 2017-18*⁵, Venues NSW outlines five strategic priorities:

- 1) Operational Performance – Maximising organisational efficiencies and the utilisation of asset to optimise the return to Government.
- 2) Safety and Security – Keeping our venues safe.
- 3) Infrastructure Strategy – Employing leading infrastructure strategy and management approaches.
- 4) Community Engagement – Collaborating with communities to increase collaboration.
- 5) Setting the Standard – A world-leading organisation that develops and protects innovative systems and processes that enhance the experience at our venues.

Venues and venue management

Venues NSW have ownership of six venues, with the mix including:

- Tier 1 Stadia: 1
- Tier 2 Stadia: 3

- Entertainment: 2

The NSW Office of Sport supports Venues NSW under a service level agreement for the provision of corporate service activities including: finance, human resource, communications, information management and technology and asset management.

Venues NSW's current management models include:

- In-house management (e.g. WIN Stadium); and
- Management agreement with a private sector venue operator (e.g. VenuesLive for Stadium Australia);

Organisational structure

There are four key divisions within the Venues NSW organisational structure that report through to the Chief Executive, who follows the strategic direction set by the Board of Directors. The four divisions are:

- Operations;
- Strategic Projects;
- Finance; and
- Communication and Engagement.

As of 30 June 2018, the non-casual staff headcount was 27 and casual staff was 36. The average annual number of FTE staff was 24.7.⁵

Financial performance summary - FY18

Venues NSW financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY18	249.0	122.9	126.0	695.8

Total Board of Directors remuneration was \$134,000 across the year.

Source: ⁵Venues NSW – Annual Report 2017-18

Venues NSW (cont.)



Venues NSW venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Stadium Australia	ANZ Stadium	Tier 1 Stadia	82,500	Oval / rectangular	Management agreement	VenuesLive
Newcastle International Sports Centre	McDonald Jones Stadium	Tier 2 Stadia	33,000	Rectangular	In-house	Venues NSW
Western Sydney Stadium	BankWest Stadium	Tier 2 Stadia	30,000	Rectangular	Management agreement	VenuesLive
Wollongong Showground	WIN Stadium	Tier 2 Stadia	23,000	Rectangular	In-house	Venues NSW
Newcastle Entertainment Centre and Showground	NA	Entertainment Centre and Showground	7,500 Entertainment centre 3,000 Showground	Flexible configuration allows for concerts, sports, exhibitions and conferences.	Management agreement	AEG Ogden
Wollongong Entertainment Centre	WIN Entertainment Centre	Entertainment Centre	6,000	Indoor arena	In-house	Venues NSW

Source: [Venues NSW – Annual Report 2017-18](#)

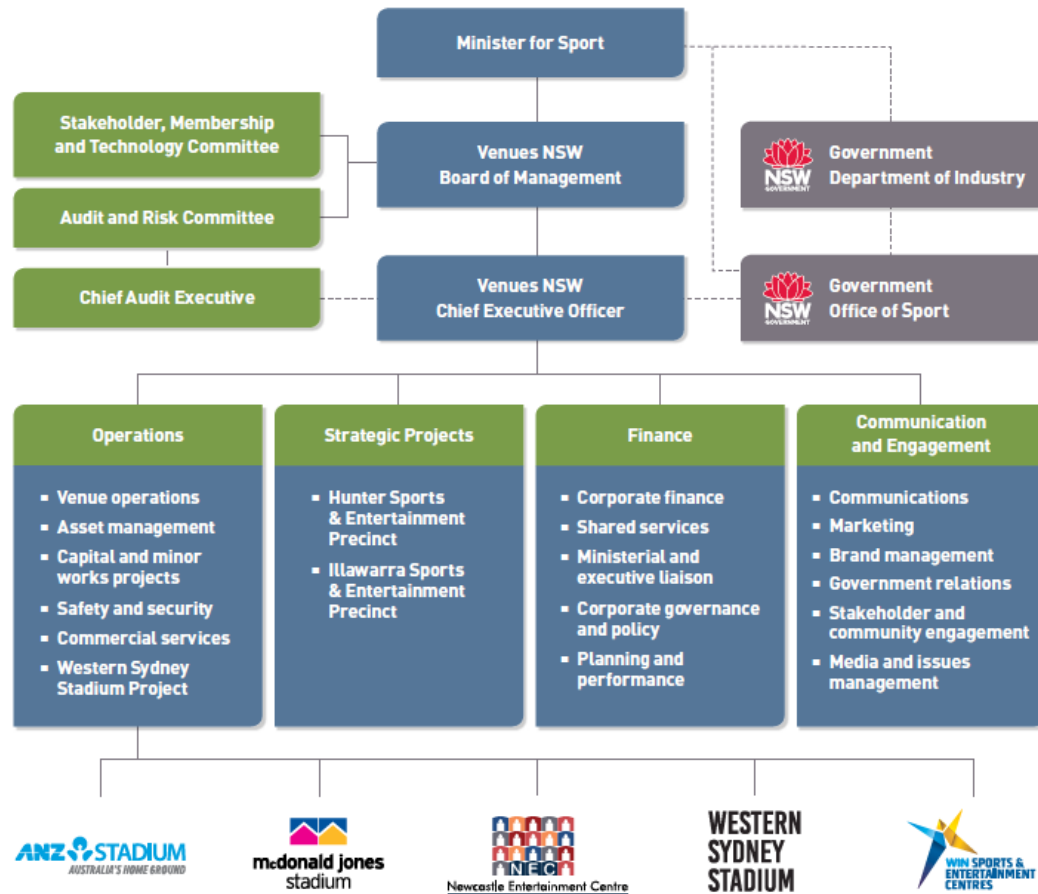


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Venues NSW (cont.)



Organisational chart



Source: [Venues NSW – Annual Report 2017-18](#)



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Sydney Cricket & Sports Ground Trust



Overview

Sydney Cricket & Sports Ground Trust (SC&SGT) is a NSW Government Trading Enterprise constituted under the provisions of the *Sydney Cricket and Sports Ground Act, 1978*. The SC&SGT is a not for profit entity, and is responsible for managing the Sydney Cricket Ground and Sydney Football Stadium.

The Sydney Football Stadium is currently being rebuilt, with the goal of rebuilding a new stadium with a seating capacity of between 40,000 and 45,000⁷. Demolition began in early 2019, and the project is expected to be completed in March 2022.

Strategic objectives

The core objectives of SC&SGT as outlined in its *2017-2020 Corporate Plan*⁸, are:

- 1) Our Customers – We will put the customer at the centre of our business
- 2) Our Heritage – We will continue to publicly honour the sporting, cultural and social history that has taken place on Trusts lands to conserve, respect and showcase for the benefit of generations to come.
- 3) Our Digital Transformation – Two world-class venues – one powerful, state of the art connect precinct.
- 4) Our Precinct – We will strengthen relationships with our neighbours and sporting and commercial partners to maximise Moore Park’s unique sporting, cultural, parkland and entertainment offering. We will strategically invest in our grounds and facilities to conserve, refurbish and renew.
- 5) Our Culture – Our culture is focused on customer experience.

Venues and venue management

The SC&SGT owns and operates two Tier 1 Stadia - Sydney Cricket Ground and The Sydney Football Stadium – and these are managed on an in-house basis. The Sydney Football Stadium has historically been managed using an in-house model, and this is expected to continue following the stadium’s redevelopment.

Source: ⁷[Sydney Cricket & Sports Ground Trust – Annual Report 2017-18](#)

⁸[SCGT 2017-2020 Corporate Plan](#)



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Organisational structure

The SC&SGT organisational structure has eight divisions overseen by General Managers, which report through the CEO who in turn report through to the Trustees.

SC&SGT’s divisions are:

- Corporate Services;
- Commercial;
- Strategy & Projects;
- Events;
- Marketing, Membership & ICT;
- Heritage Communications & Government Relations;
- Facilities; and
- Human Resources;

The total number of Full Time Equivalent (FTE) employees as at 30 June 2018 was 115.5. The organisation structure can be found on subsequent pages.

Financial performance summary – FY18

SC&SGT financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY18	99.4	101.1	(1.6)	695.2

Total Board of Directors remuneration was \$192,000 across the year.

Sydney Cricket & Sports Ground Trust (cont.)



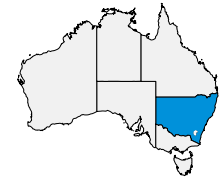
SC&SGT venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Sydney Cricket Ground	NA	Tier 1 Stadia	47,000	Oval	In-house	SC&SGT
The Sydney Football Stadium	Allianz Stadium	Tier 1 Stadia	Currently being rebuilt to a seating capacity of between 40,000 and 45,000	Rectangular	In-house	SC&SGT

Source: [Sydney Cricket & Sports Ground Trust – Annual Report 2017-18](#)

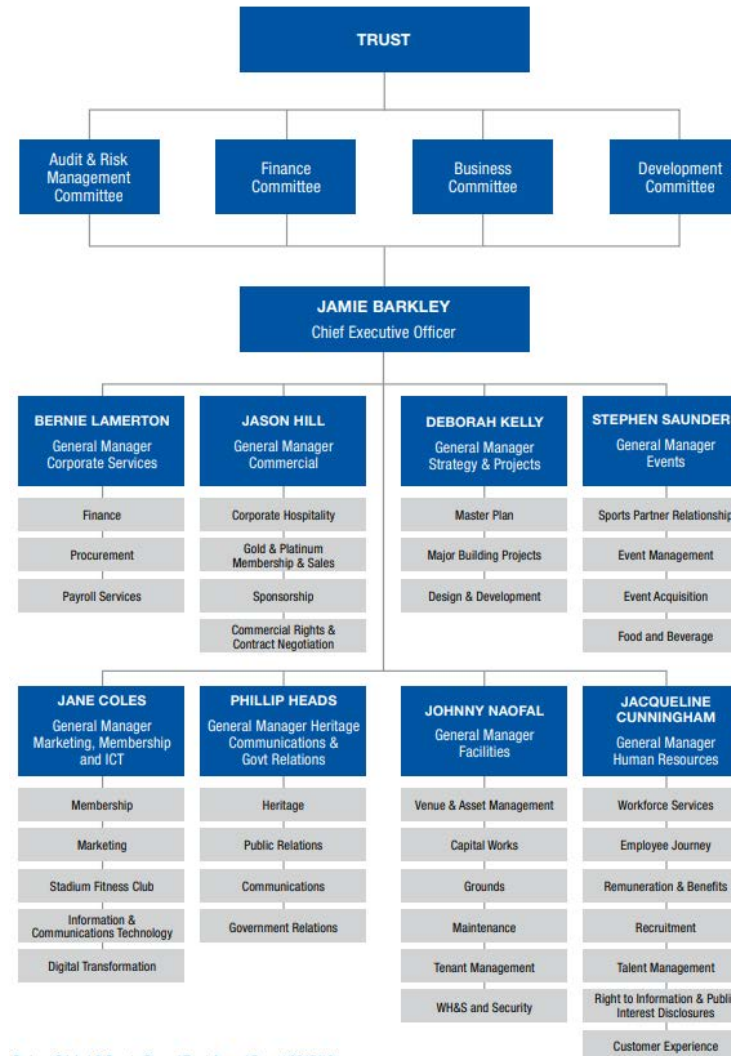


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Sydney Cricket & Sports Ground Trust (cont.)



Organisational chart



Source: [Sydney Cricket & Sports Ground Trust – Annual Report 2017-18](#)

[Sydney Cricket & Sports Ground Trust Annual Report 2017/18](#)



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Overview

On behalf of the State Government of Victoria, and in accordance with the *Kardinia Park Stadium Act 2016*, the Kardinia Park Stadium Trust (KPST) is responsible for managing the Kardinia Park Stadium.

Kardinia Park in Geelong is an example in which a Local Government owned venue undertook a major redevelopment, however, much of this was funded by the Victorian Government and ownership of the venue was transferred to the Victorian Government (i.e. the KPST) in 2017, at which point the KPST took over as the governance agency and operator.

Strategic objectives

The Kardinia Trust has four key business pillars that form the basis of its three-year strategic plan:

- 1) Strive towards financial sustainability.
- 2) Deliver operational and commercial excellence.
- 3) Build and aligned and engaged culture.
- 4) Contribute to the economy, community and liveability of the Geelong region.

Venues and venue management

The KPST is responsible for operating the Kardinia Park Stadium (currently known as GMHBA Stadium), a Tier 2 stadium. The Trust has leases with its primary tenant, the Geelong Football Club (who also play a role in event day operations), and with additional tenants including Barwon Sports Academy, Basketball Victoria, Cricket Victoria, Football Federation Victoria, Geelong Cricket Association and Tennis Victoria.

Organisational structure

An Executive Team comprised of the Deputy Chief Executive Officer, General Manager Finance & Corporate Services, and General Manager Marketing & Communications is each responsible for their own portfolio, and all report to the Chief Executive Officer.

The Chief Executive Officer reports to The Trust, which consists of a Chairperson and seven other members.

The total number of personnel employed by the Kardinia Park Stadium Trust as at 30 June 2018 was 45 (headcount); equivalent to 14 FTE⁶.

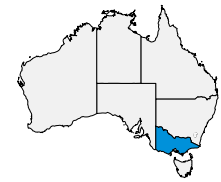
Financial performance summary - FY18

Kardinia Park Trust financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY18	5.6	6.3	(0.6)	165.7

Total Board of Directors remuneration was between \$430,000–\$439,999 across the year.

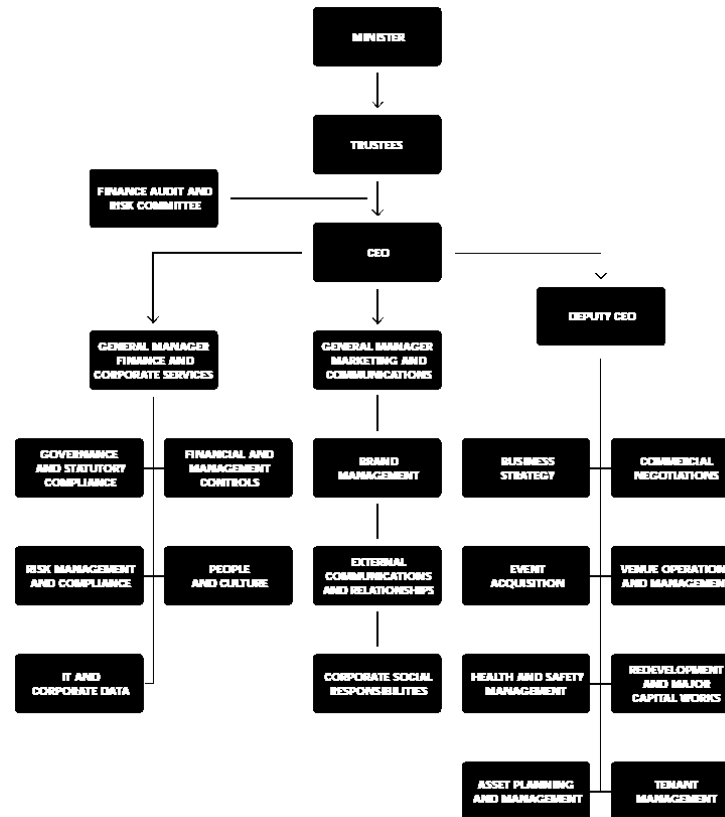
Source: ⁶Kardinia Park Stadium Trust Annual Report 2017-18

Kardinia Park Trust (cont.)



Kardinia Park Trust venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Kardinia Park	GMHBA Stadium	Tier 2 Stadia	36,000	Oval	In-house / Lease	Kardinia Park Stadium Trust / Geelong Football Club

Organisational chart



Source: [Kardinia Park Stadium Trust Annual Report 2017-18](#)

Melbourne & Olympic Parks Trust



Overview

The Melbourne & Olympic Parks Trust (MOPT) was established on 5 October 1995 in accordance with the provisions of the *Melbourne & Olympic Parks Trust Act 1985*. Under the Act the relevant Minister is the Victorian Minister for Tourism, Sport and Major Events.

MOPT operates to provide facilities and ancillary services for the conduct of sport, entertainment and functions events, primarily for the people of the State of Victoria.

Strategic objectives

Each year, Trustees and Management prepare a business plan for approval in accordance with the requirements of its Act and Purpose, which measures performance against five goal areas⁹:

- 1) Maintain Long Term Financial Sustainability.
- 2) Increase Benefits to the State of Victoria.
- 3) Improving Customer Value.
- 4) Business Processes.
- 5) Organisational Effectiveness.

Venues and venue management

The Melbourne Sports and Entertainment Precinct is a series of sports stadiums and venues in Melbourne, comprising three areas: Olympic Park and Melbourne Park (managed by MOPT) and Yarra Park (falling under the responsibility of the MCG Trust).

The facility mix across Olympic Park and Melbourne Park include those facilities best known for hosting the Australian Open (tennis); a Tier 2 stadium, and an elite training facility. MOPT delivers the management functions for all of its venues in-house.

A number of sporting entities are also tenants within the MOPT precinct, with many basing their administrative operations in the area, including:

- Collingwood FC (AFL);
- Melbourne FC (AFL);
- Melbourne Storm (NRL);
- Melbourne Victory (A-League);
- Tennis Australia;
- Tennis Victoria;
- Victorian Olympic Council; and
- Victorian Rugby Union.

Organisational structure

The MOPT CEO has seven direct reports, which include the CFO, COO, Corporate Communications Manager, Director HR Strategy, Director Infrastructure, Manager Information Technology and Manager Strategy and Systems.

The total number of Full Time Equivalent (FTE) employees as at 30 June 2018 was 97. The organisation structure can be found on subsequent pages.

Financial performance summary - FY18

The table below provides a summary of the MOPT's FY18 financial performance.

MOPT Financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY18	111.7	115.9	(4.2)	1,994.2

Total Board of Directors remuneration was between \$500,000–\$509,999 across the year.

Source: ⁹[Melbourne & Olympic Parks Trust – Annual Report 2017-18](#)



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Melbourne & Olympic Parks Trust (cont.)



MOPT venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Rod Laver Arena	NA	Indoor arena	15,000	Tennis / arena	In-house	MOPT
Margaret Court Arena	NA	Indoor arena	7,500	Tennis / arena	In-house	MOPT
Melbourne Arena	(previously Hisense)	Indoor Arena	10,000	Tennis / arena	In-house	MOPT
Melbourne Rectangular Stadium	AAMI Park	Tier 2 Stadium	30,050	Rectangular	In-house	MOPT
Olympic Park Oval	NA	Elite athlete facility	3,000	Oval	In-house	MOPT
Olympic pool building	Holden Centre	Other	na	Other	In-house	MOPT (leases held by various tenants)

Organisational chart



Source: [Melbourne & Olympic Parks Trust – Annual Report 2017-18](#)



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Overview

The government-appointed MCG Trust vests administration of the Melbourne Cricket Ground (MCG) to the Melbourne Cricket Club (MCC). The Trust meets bi-monthly to discuss general policy on ground management and development. The current agreement between the MCC and the MCG Trust expires in 2042.

Strategic objectives

The five key pillars of the Melbourne Cricket Club's *MCC Strategic Plan 2016-2020*, include:

- 1) Deliver exceptional member services.
- 2) Deliver a nimble & customer-focused culture.
- 3) Enhance experience at the MCG and beyond.
- 4) Demonstrate community leadership.
- 5) Strengthen our key partnerships.

Venues and venue management

The MCG Trust is responsible for the Yarra Park precinct which contains the largest oval stadium in Australia, the MCG. The MCG Trust has a management agreement (term expiry 2042) with the MCC who manage the Stadium (and surrounding park), and an agreement with the AFL.

The MCG is a Tier 1 Stadium that hosts international and state test, one-day and Twenty20 cricket, as well as Big Bash League and Women's Big Bash League matches. It also hosts AFL, football, rugby league and other events.

Organisational structure

The MCG Trust is overseen by a Chairperson, and has seven additional members and an Executive Officer. All trustees are State Government nominees.

Financial performance

The table below provides a summary of the MCG Trust's FY19 financial performance.

MCG Trust Financial performance (\$M)				
	Op revenue	Op expenses	Op Profit / Loss	Assets (PP&E)
FY19	4.7	0.27	0.06*	420.9

*Reflects a contribution to the MCC for repayment of Great Southern Stand and Northern Stand Re-development debt.

Total Board of Directors remuneration was \$0 across the year.

Source: ¹⁰MCG Trust – Annual Report 2018-19

MCG Trust (cont.)



MCG Trust venue portfolio						
Name	Naming rights	Categorisation	Capacity	Configuration	Management model	Manager
Melbourne Cricket Ground	NA	Tier 1 Stadia	100,000	Oval	Management agreement	Melbourne Cricket Club
Yarra Park	NA	Other	The Yarra Park hosts a number of events such as the Grand Final Week Footy Festival, Melbourne Marathon, City of Melbourne New Year's Eve Fireworks and City2Sea Fun Run.		Management agreement	Melbourne Cricket Club

Source: [MCG Trust– Annual Report 2018-19](#)



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Appendix 2: Legislative instruments

Select Stadia Legislative Structure Comparison

	Stadiums Queensland	VenuesWest	Venues NSW	Kardinia Park Stadium Trust	Sydney Cricket & Sports Ground Trust	Melbourne & Olympic Parks Trust	MCG Trust
Governing legislation	<i>Major Sports Facilities Act 2001</i> (QLD)	<i>Western Australian Sports Centre Trust Act 1986</i> (WA)	<i>Sporting Venues Authorities Act 2008</i> (NSW)	<i>Kardinia Park Stadium Act 2016</i> (Vic)	<i>Sydney Cricket and Sports Ground Act 1978</i> (NSW)	<i>Melbourne & Olympic Parks Act 1985</i> (Vic)	<i>Melbourne Cricket Ground Act 2009</i> (Vic)
Names of stadia	Various (including the GABBA, CBUS Super Stadium, 1300 Smiles Stadium, QSAC, Sleeman Sports Complex, Suncorp Stadium, Metricon Stadium, Brisbane Entertainment Centre, Queensland Tennis Centre and North Queensland Stadium).	Various (including Optus Stadium, HBF Stadium, SpeedDome, HBF Arena, Perth Motorplex, WA Athletics Stadium, Bendat Basketball Centre, WA Rugby Centre, RAC Arena, Champion Lakes Regatta Centre, nib Stadium, State Netball Centre and WA Institute of Sport High Performance Service Centre).	Various (including ANZ Stadium, Bankwest Stadium, McDonald Jones Stadium, Newcastle Entertainment Centre and Showground, and WIN Sports Stadium and Entertainment Centres).	Kardinia Park Stadium (GMHBA Stadium).	Various (including Sydney Cricket Ground and Allianz Stadium).	Various centres in Melbourne Park and Olympic Park (including Rod Laver Arena, AAMI Park, Melbourne Arena and Margaret Court Arena).	Melbourne Cricket Ground.
Establishment	Stadiums Queensland is established under s 5 of the Act.	The Act creates the Western Australian Sports Centre Trust (s 4(1) of the Act).	Section 12 of the Act establishes Venues NSW as a regional sporting venues authority. In 2012, Venues NSW commenced as a single Statutory Authority.	The Kardinia Park Stadium Trust is a statutory entity established under the s 5 of the <i>Kardinia Park Stadium Act 2016</i> (Vic).	The Sydney Cricket and Sports Ground Trust is constituted under 5(1) of the Act.	Section 5 establishes a Trust to be called the Melbourne and Olympic Park Trust.	The Melbourne Cricket Ground Trust is established under s 4(1) of the Act.
Entity type	A State Government statutory entity constituted as a body corporate (with perpetual succession) per s 6(1).	Constituted as a trust with a body corporate trustee with perpetual succession (s 4(1)).	State Government statutory entity constituted as a trust with a body corporate trustee (s 12).	A State Government statutory entity constituted as a body corporate (with perpetual succession) per s 5(2)(a).	A Trust with a body corporate trustee. See s 5.	A State Government statutory entity constituted as a body corporate (with perpetual succession) per s 5(2)(a).	A State Government statutory entity constituted as a body corporate (with perpetual succession) per s 4(1).
Entity's rights	The Authority is a body corporate, with a seal and may sue or be sued in its corporate name per s 6.	The Trust is an agent of the Crown in right of the State and enjoys the status, immunities and privileges of the Crown except as otherwise prescribed. The Trust is a body corporate with perpetual succession and a common seal, and is capable of acquiring, holding and disposing of property, suing and being sued, and is capable of doing or suffering anything which by law a body corporate may do or suffer.	The State Sporting Venues Authority may enter into an arrangement with a regional sporting venues authority to manage any land vested in the State Sporting Venues Authority and to perform any function that the State Sporting Venues Authority has in relation to that land, per s 9(2).	The Trust is a body corporate with perpetual succession and a common seal, and is capable of acquiring, holding and disposing of property, suing and being sued, and is capable of doing or suffering anything which by law a body corporate may do or suffer.	Limited rights are expressly provided for in the Act, only that the Trust shall have and may exercise and perform the functions conferred or imposed on it by law, subject to Ministerial control and direction, per s 5. For example, the Trust may, but only with the approval of the Minister, acquire any land.	The Trust is a body corporate with perpetual succession and a common seal, and is capable of acquiring, holding and disposing of property, suing and being sued, and is capable of doing or suffering anything which by law a body corporate may do or suffer.	The Trust is a body corporate with perpetual succession and a common seal, and is capable of acquiring, holding and disposing of property, suing and being sued, and is capable of doing or suffering anything which by law a body corporate may do or suffer.
Entity's functions and powers	The Authority's functions are to manage, operate, use and promote major sporting facilities and to undertake development of major sports facilities, sporting facilities for declaration as major sports facilities and infrastructure associated with the aforementioned facilities, per s 7. In respect of these functions, the Authority has all the powers of an individual (e.g. may enter into contracts, acquire and dispose of property, appoint agents, etc.), per s 8.	The functions of the Trust are to establish and maintain a comprehensive sports and recreational complex, to be known as the Western Australian Sports Centre, comprising of a range of facilities used for holding events, training sportspeople, developing sports-related skills, providing accommodation and other facilities and encouraging use and enjoyment of sports facilities by the general public.	The principal functions of the State Sporting Venues Authority are to maintain and improve the Authority's land and to establish and manage relevant sporting land/facilities for the purposes of competitions, training and education, recreational and community use and enjoyment, facilitating commercial and retail activities. The State Sporting Venues Authority is also required to make all reasonable attempts to ensure development to land/facilities accords with best practice environmental and planning standards and that proper asset management is implemented.	The KPST is responsible for the care, improvement, use and promotion of the Kardinia Park Trust Land as facilities for sports, recreation, entertainment, and related social and other activities. The Trust is also responsible for the financial, developmental and operational management of trust land. This includes managing trust land with the objective of contributing to the economy, community and liveability of the Geelong region and the State more broadly. (per s 1)	The Trust is charged with the care, control and management of the trust land. Additionally, the Trust may allow the trust lands to be used by such persons, clubs, associations, leagues or unions on terms and conditions the Trust sees as fit and proper for or in connection with cricket, football, tennis, athletics and public amusement. or any other purpose subject to Ministerial approval.	As the committee of management of Crown Lands, the Trust is responsible for the care, improvement, use and promotion of the National Tennis Centre and Olympic Park as facilities for tennis, other sports, recreation and entertainment. The Trust is required to operate Trust lands efficiently, economically and effectively, provide planning for the operation of Trust land, and provide for the promotion and development of the Trust lands. This includes providing for the management of the adjacent Gosch's Paddock.	The functions of the Trust are to manage, control and make improvements to Trust land, to be the committee of management for Yarra Park Reserve and to carry out any other function as conferred or given to the Trust. The Trust has power to do all things necessary to carry out its functions, including invest money, form or become a member of a partnership, corporation, trust or JV, and otherwise enter into any profit sharing arrangements.
Board	The Board is comprised of 7 directors, appointed by the Governor in Council. Divisions 2, 3 and 4 of the Act cover appointment, tenure, decision-making capacity, meetings, etc.	The Board is comprised of 9 members, appointed by the Minister. Members must have certain qualities, as prescribed within the Act. In particular, Schedule 1 prescribes specific provisions relating to members of the Board.	Each regional sporting venues authority has a board of management consisting of at least 7 and not more than 11 members appointed by the Minister. There must be a chairperson. Only the Governor of NSW by Order may dissolve a regional sporting venues authority.	Membership consists of one part-time chairperson, and not fewer than 4 and not more than 8 other part-time members. Subject to the terms and conditions in the relevant Instrument of Appointment. 3 year appointment which can be renewed. Maximum term of 9 years.	The Trust consists of 15 Trustees, 13 of whom are appointed by the Governor and two of whom are elected by members that hold either Gold Membership or SCG Membership. Each trustee is appointed for a term of up to four years.	The Trust consists of 12 members, appointed by the Governor in Council. 9 of these members are appointed on the nomination of the Minister, 2 are appointed on the nomination of the Lawn Tennis Association of Australia and 1 is appointed on the nomination of the Victorian Tennis Association. No appointment may exceed 4 years, but members are eligible for reappointment.	Governor in council to appoint the chair and not less than 6 and not more than 8 directors. Members must be persons who have experience in sports, sports administration, business, financial or community affairs.
Entity's decisions and meetings	Subject to division 4, the board may conduct its business, including its meetings, in the way it considers appropriate. Board meetings must be held at least 12 times per year, and a quorum is equal to one-half of the number of directors (or the next higher whole number). A Departmental officer may take part in board meetings but must not take part in a decision of the board	The procedure for the calling of meetings of the board and the conduct of business at those meetings shall, subject to Schedule 2 and any regulations, be as determined by the Board. See s 10.	The procedure for the calling of, and for the conduct of business at, meetings of the Trust shall, subject to any procedure that is specified in the Act or prescribed, be as determined by the Trust. The number of members which shall constitute a quorum at any meeting of the Trust is a majority of the members for a time being.	At least 4 meetings must be held in any Calendar year. Subject to the Act, in particular s 16, the Trust may regulate its own proceedings. Section 16 prescribes who must preside over a meeting, what number of members constitutes a quorum and whether members are allowed to participate by electronic means.	Trust meetings are held monthly and committee meetings are held on a quarterly basis. The procedure for the calling of, and for the conduct of business at, meetings of the Trust shall, subject to any procedure that is specified in this Act or prescribed, be as determined by the Trust. The number of members which shall constitute a quorum at any meeting of the Trust is 8.	At least 4 meetings must be held in any Calendar year. Subject to the Act, in particular s 15, the Trust may regulate its own proceedings. Section 15 prescribes who must preside over a meeting, what number of members constitutes a quorum and whether members are allowed to participate by electronic means.	Subject to the Act, in particular s 12, the Trust may regulate its own proceedings. Section 12 prescribes who must preside over a meeting, what number of members constitutes a quorum and whether members are allowed to participate by electronic means.
Management (Executive)	Not prescribed.	A General manager of Western Australian Sports Centre is appointed under s 12 and is responsible, as the CEO of the Trust, for the day to day management of the affairs of the Trust and the administration of the Centre and all other Trust property. The GM is subject to the control of the Trust.	The Minister is responsible for the day-to-day management of the affairs of the State Sporting Venues Authority. Any act, matter or thing done in the name of, or on behalf of, the State Sporting Venues Authority by the Minister is taken to have been done by the Authority. CEO is the Chief Executive of the Office of Sport.	The Trust may appoint a person approved by the Minister as the chief executive officer of the Trust, per s 17. The Trust may engage any other officers or employees that are necessary for the performance of the Trust's functions, per s 18.	The Chief Executive Officer is the most senior employee of the Trust. Nine General Managers report to the CEO, and are responsible for departments including Commercial, Communications, Heritage and Government Relations, Events, Executive Services, Facilities, Finance, Human Resources, Membership, Marketing and ICT and Strategy and Projects.	The Trust may appoint a person approved by the Minister as the Chief Executive Officer to the Trust. The Trust may employ any other persons that are necessary for the purposes of the administration of the Trust and the carrying out of its powers and functions, per 16D.	The Trust may employ any such persons as are necessary for the performance of its functions, per s 13. Either MCG Trust can tender for management provider or MCC may be appointed as the ground manager, per s 18-19.

	Stadiums Queensland	VenuesWest	Venues NSW	Kardinia Park Stadium Trust	Sydney Cricket & Sports Ground Trust	Melbourne & Olympic Parks Trust	MCG Trust
Minister or Governor Powers	The Minister may nominate an officer of the department to attend board meetings, but this officer may not participate in decision making. The Authority's' power to acquire, hold, dispose of and deal with property is subject to approval by the Governor, per s 8. The Governor also has a broad regulation making power under s 33.	The Minister may, after consultation with the board, give such directions in writing to the Trust with respect to the performance of its functions as appear to the Minister to be in the public interest and the Trust shall give effect to any such direction, per s 14(1). The Governor may make regulations in relation to the Centre and other property, admission of people, traffic matters, maintenance, removal of persons found committing offences, use of alcohol, use of animals, etc.	Any act, matter or thing done in the name of, or on behalf of, the State Sporting Venues Authority by the Minister is taken to have been done by the Authority, per s 6. Each board of management is subject to the control and direction of the Minister in the exercise of its functions, per s 15.	Minister may give directions to the Trust. Trust must follow directions and provide evidence of compliance, s 19.	The Trust shall, in the exercise or performance of its functions under the Act, be subject to the control and direction of the Minister.	The Minister may give the Trust directions in relation to the carrying out of its functions under this Act, and the Trust must comply (s 6). Pursuant to s 22, the Governor in council may make regulations.	The Minister, after consultation with the Treasurer, may give a written direction to the Trust on the performance, discharge or exercise by it of any of its functions, duties or powers under the Act. The Trust must comply (s 14).
Business Plan / Management Plan	Not prescribed.	Not prescribed.	A regional sporting venues authority is to prepare and maintain a plan of management for the authority's land. The requirements of this plan and process for Ministerial Approval are contained in s 31 - 33.	Trustees must prepare a business plan each year and provide a copy to Minister. Must draft the plan in accordance, discuss with the Minister and produce a completed plan, per s 21.	Not prescribed.	The Trust must prepare a business plan each year in a form approved by the Minister and must include such matters as described in s 25 (e.g. statement of corporate intent, financial statements, etc.)	Under s 25, the Trust must prepare a business plan for each year. While the Melbourne Cricket Club is Ground manager the Melbourne Cricket Club must prepare the business plan on behalf of the Trust and submit the plan to the Trust for approval.
Borrowing	A statutory body may exercise a power under the <i>Statutory Bodies Financial Arrangements Act</i> only if the body is satisfied that exercising the power is necessary or convenient for performing its functions under its authorising Act. Can borrow per Part 5, <i>Statutory Bodies Financial Arrangements Act</i> .	Not prescribed.	Not prescribed.	The Trust may obtain financial accommodation subject to and in accordance with the powers conferred on it under the <i>Borrowing and Investment Powers Act 1987</i> , per s 23.	Not prescribed.	The Trust has the powers conferred on it by the <i>Borrowing and Investment Powers Act 1987</i> .	The Trust, with the approval of the Treasurer, may obtain financial accommodation and enter into and perform financial arrangements, subject to s 23 and 24.
Banking	Not prescribed, however a statutory body may exercise a power under the <i>Statutory Bodies Financial Arrangements Act</i> only if the body is satisfied that exercising the power is necessary or convenient for performing its functions under its authorising Act.	Not prescribed in the establishing legislation, however VenuesWest is subject to the <i>Financial Management Act 2006</i> . Under s 13, the Treasurer may authorise VenuesWest to open and maintain a bank account.	Not prescribed.	The Trust may open and maintain one or more accounts in the name of the Trust with any ADI, per s 24.	Not prescribed.	The Trust may open and maintain one or more accounts in the name of the Trust with any authorised deposit-taking institution within the meaning of the Banking Act 1959 of the Commonwealth, per 17(5).	The Trust, with the approval of the Treasurer, may obtain financial accommodation and enter into and perform financial arrangements, per s 23.
Entity's fund	Not prescribed, however a statutory body may exercise a power under the <i>Statutory Bodies Financial Arrangements Act</i> only if the body is satisfied that exercising the power is necessary or convenient for performing its functions under its authorising Act.	Funds available to the trust include: any money appropriated by Parliament for Trust purposes, money derived from fees, and money derived from sale or leasing of property (s 15(1)). Certain Trust property and instruments are exempt from rates, taxes and duties per s 16.	Not prescribed.	The Trust must establish and maintain a fund called the Kardinia Park Trust Fund, per s 25. All money received by or paid to the Trust, all money required or authorised under the Act and any income received by the Trust must be paid into the Kardinia Park Trust Fund. Payments to discharge Trust debts, payment of costs relating to Trust land and any other payments to be paid in accordance with the Act are permitted to be paid out of the Trust fund.	Not prescribed.	The Trust shall establish and maintain a fund to be called the Melbourne and Olympic Parks Trust Fund, per s 17. All money received by or paid to the Trust in respect of the Trust land and any income received by the Trust must be paid into Trust Fund. Payments to discharge Trust debts, payment of fees and allowances payable to members and other payments to be paid in accordance with the Act are permitted to be paid out of the Trust fund.	Not prescribed.
Investment	Not prescribed, however a statutory body may exercise a power under the <i>Statutory Bodies Financial Arrangements Act</i> only if the body is satisfied that exercising the power is necessary or convenient for performing its functions under its authorising Act. Statutory bodies investment powers outlined under Part 6, <i>Statutory Bodies Financial Arrangements Act</i> .	Not prescribed.	Not prescribed.	The Trust may invest subject to and in accordance with the <i>Borrowing and Investment Powers Act 1987</i> .	The Trust may invest money held by it in Government securities of the Commonwealth or of the State or in any securities guaranteed by the Government of the State, or on call or on fixed deposit, or partly on call and partly on fixed deposit, with the Treasurer or with any bank, building society or credit union or in such other securities as the Governor approves or as are prescribed, per s 22.	The Trust may invest any money in the Fund in any manner approved by the Treasurer, per 17(4).	The Trust, with the approval of the Treasurer and for the purposes of carrying out its functions, may invest money of the Trust in any manner approved by the Treasurer, per 6(3)(a).
Budget Requirements	Not prescribed	Not prescribed	Not prescribed	Not prescribed	Not prescribed	Not prescribed	Not prescribed
Board Committees	Board Committee and Audit, Risk and Compliance Committee.	Audit and Finance Committee and Risk and Governance Committee.	Audit and Risk Committee; Stakeholder, Membership and Technology Committee.	Kardinia Park Advisory Committee	Audit and Risk Management Committee; Finance Committee; Business Committee and Development Committee.	People and Remuneration Committee; Finance Audit and Risk Committee and Strategic Planning Committee.	Yarra Park Advisory Committee; MCG Committee; various sub-committees for different sports (e.g. cricket, football, tennis).
Trustee Liabilities	Not prescribed.	Not prescribed.	Not prescribed.	Not prescribed.	Trust members are protected from personal liability per s 12.	The Trustee has immunity under s 16C of the Act.	Not prescribed.

	Stadiums Queensland	VenuesWest	Venues NSW	Kardinia Park Stadium Trust	Sydney Cricket & Sports Ground Trust	Melbourne & Olympic Parks Trust	MCG Trust
Use of Land	The Authority must not sell an estate in fee simple in facility land, without the Governor in Council's prior approval. The Authority may use its property other than for performing its functions only with the Minister's prior written approval. The Authority's property is not distributable, whether by way of division of profits or by way of distribution of assets, among tenants of a major sports facility.	The Trust has power to do all things necessary or convenient to be done for or in connection with the performance of its functions. This includes hiring out or otherwise making the Centre available for use and too carry out works (e.g. redevelop) on the land for activities of a sporting, recreational, educational or cultural purpose.	A sporting venues authority may sell, lease, exchange or otherwise dispose of or deal with any land vested in the authority and grant easements or rights-of-way over such land or any part of it, per 26. Per s 29, SSVA can acquire land.	With the approval of the Minister, the Trust may grant a lease of the whole or any part of the Kardinia Park Trust Land, or any other land managed by the Trust, subject to s 31. The Trust may grant a licence to enter and use the whole or any part of the Kardinia Park Trust Land or any other land managed by the Trust, subject to s 32.	Trust may allow Trust lands to be used by certain persons on such terms and conditions as the Trust sees fit in connection with cricket, football or tennis or any other game or in connection with sport or public amusement or any other purpose subject to Ministerial approval. Trust may carry out works on trust lands and make certain improvements, subject to Ministerial approval. Trust may also carry out works outside trust lands to improve access to trust land or enhance amenities around trust land. Per ss 13 to 17 generally.	In respect of the National Tennis Centre and Olympic Park, Trust may (subject to consent of Minister) grant leases over the land, as well as licences or permits for the use or development of land, per s 7.	Despite anything to the contrary in the <i>Crown Land (Reserves) Act 1978</i> or any other Act or law, the Trust, with the approval of the Minister may grant leases for terms not exceeding 99 years; and may grant licences for terms not exceeding 50 years— in respect of the whole or a part of the Ground for purposes consistent with the purpose for which the land is reserved.
Infringements	It is an offence under the Act for a person to be disorderly or create a disturbance on facility land; enter the land without approval or interfere with a person engaged in sport or entertainment on the land.	An authorised officer who has reason to believe that a person has committed an offence against a regulation made under section 18A may serve an infringement notice on the alleged offender.	A police officer or a ranger may issue a penalty notice to a person if it appears to the officer that the person has committed a penalty notice offence. A penalty notice offence is an offence against the <i>Sporting Venue Authorities Act</i> or the regulations that is prescribed by the regulations as a penalty notice offence.	A police officer, or an officer or employee authorised by the Trust, may serve an infringement notice on any person that the police officer, officer or employee has reason to believe has committed a prescribed offence, per s 33.	The Trust may call in the aid of the police for the removal, by force if necessary, of any person who is found committing a breach of any by-law, or who by disorderly or insulting conduct on the trust lands or on any public place causes annoyance or inconvenience to persons on the trust lands or going to or coming from the trust lands.	A person authorised by the Trust for the purposes of this section may remove any person found contravening the regulations from Trust land, per 22A. Proceedings for an offence against the regulations may be brought by a member of the police force or a person authorised to do so, either generally or in a particular case, by the Trust.	Not prescribed.
Remuneration of the Board	Directors are entitled to be paid the remuneration and allowances decided by the Governor in Council, per s 16(2).	A trustee is entitled to such remuneration and allowances as the Minister from time to time determines on the recommendation of the Public Sector Commissioner, per s 7.	A member is entitled to be paid such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine in respect of the member, per Schedule 2.	A member, who is not a public service employee or parliamentarian, is entitled to receive any remuneration, fees or allowances, if any, that are fixed from time to time for that member by the Minister (s 8).	Each member is entitled to be paid, out of the funds of the Trust, such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine in respect of the member, per item 3 of Schedule 1.	Not prescribed	Not prescribed
Internal audit	Not prescribed	Not prescribed	Not prescribed	Not prescribed	Not prescribed.	Not prescribed.	Not prescribed
Gift / donations	Not prescribed	Where the Trust acquires property by gift, bequest or devise the Trust may agree to and carry out the conditions of the gift; and retain the property in the form in which it is acquired, subject to any condition agreed to by the Trust in relation to the property, per s 9.	A sporting venues authority may acquire by gift, devise or bequest any property for the purposes of the Act and may agree to carry out the conditions of any such gift, devise or bequest, per s 27.	Not prescribed	The Trust may acquire by gift, bequest or devise any property for any of the purposes of the Act and may agree to and carry out the conditions of the gift, bequest or devise, per s 18.	Not prescribed	Not prescribed
Asset management	The Authority's functions are to manage, operate, use and promote major sports facilities and to undertake development of those facilities. These functions must be performed in a manner that is consistent with sound commercial principles, s 7.	Under s 12, the General Manager is responsible for the day to day management of the affairs of the Trust and the administration of the Centre and all other Trust property. The Governor may make regulations with respect to the care, control, management, preservation and protection of the Centre and other property, s 18.	A principal function of the State Sporting Venues Authority is to ensure proper asset management plans are in place and are implemented for the Authority's land, per s 9.	Not prescribed	Not prescribed	Moneys in the fund may be applied in payment of the costs of the management of the National Tennis Centre, Olympic Park or any other land, facilities or services operated or managed by the Trust, per s 17.	Trust, upon request of minister, may provide advice relating to construction and management of sporting facilities, per s 6.
Media engagement / advertising	Part 4B of the Act prescribes provisions in relation to advertising including restrictions and authorisations.	Not prescribed	Not prescribed	Not prescribed	Not prescribed	Not prescribed	Not prescribed
External auditor	Not prescribed.	The provisions of the Financial Management Act 2006 and the Auditor General Act 2006 regulating the financial administration, audit and reporting of statutory authorities apply to and in respect of the Trust and its operations. Per s 17.	Not prescribed.	Not prescribed.	Not prescribed.	Not prescribed.	Not prescribed.



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PhilLighton Architec

Town Hall, 18 St John Street Launceston

T 03 6323 3000

E contactus@launceston.tas.gov.au

www.launceston.tas.gov.au

