



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

Public Accounts Committee

Inquiry into Funding of Rugby League Facilities in Darwin

Public Hearing Transcript

1.30 pm, Wednesday, 11 November 2015

Litchfield Room, Parliament House

Members: Mrs Robyn Lambley, MLA, Chair, Member for Araluen
Ms Natasha Fyles, MLA, Member for Nightcliff
Ms Nicole Manison, MLA, Member for Wanguri
Mr Gerry Wood, MLA, Member for Nelson

Witnesses: Department of Treasury and Finance

Ms Jodie Ryan, Under Treasurer

Mr David Braines-Mead, Deputy Under Treasurer

AFL NT

Mr Ross Coburn, Board Director

Touch NT

Mr Michael Fleming, NT State Operations Advisory Panel Chair

Ms Isobel Appo, Business Development Manager

Department of Infrastructure

Mr David McHugh, Chief Executive

Mr Brett Brogan, Executive Director Building Services

The committee convened at 1.30 pm.

Madam CHAIR: On behalf of the committee I welcome everyone to this public hearing into funding of rugby league facilities in Darwin.

Before we proceed to the hearing, I would like to say a few words about the role of the Public Accounts Committee. The first Public Accounts Committee was established by the House of Commons in 1861 to review reports of the use to which public funds were put. To this day, most parliaments in the Westminster tradition have a committee to examine the public accounts and the efficiency, effectiveness and economy of government agencies on behalf of the people.

In the same year that the first Public Accounts Committee was established John Stuart Mill wrote that it was the task of the legislature to:

... watch and control the government: to throw the light of publicity on its acts ...

Those words by Mill were cited by the High Court of Australia in explaining the doctrine of responsible government under our Constitution by which the legislature has the duty to, 'question and criticise government on behalf of the people' and the power to compel the production of information.

The Northern Territory has had a Public Accounts Committee since the Fourth Assembly. Regardless of the balance of power in the Assembly, that committee has continued the tradition of questioning how governments are managing their finances and delivering efficient and effective programs. This remains a key means of public accountability under our system of government.

The Legislative Assembly referred this inquiry into the funding of rugby league facilities in Darwin to the Public Accounts Committee on a motion moved by the member for Nelson and passed without dissent on 25 August 2015.

I am concerned that the treatment of the committee in recent weeks has reflected either poor management or lack of regard for the committee's role. The committee wrote to the Chief Minister and Treasurer over two weeks ago requesting they appear before the committee to explain their decisions on the matters referred by the Assembly. It was not until yesterday that they declined the invitation to appear. I find this decision disappointing in both its timing and lack of accountability.

The Assembly also asked the government to appoint two members to this committee on 16 September. Committee members delayed pursuing this inquiry to provide every opportunity for government members to participate. To date, the government positions have remained vacant. The committee also sent a letter to the Chief Executive of the Chief Minister's department on 20 October, requesting documents relating to this inquiry by 9 November. Documents were not delivered to the committee until this morning, which has provided the committee with little opportunity to inform itself before questioning witnesses today.

I understand that, in part, the delay was due to ensure all relevant documents were included, and the committee was pleased to hear that an exhaustive approach was taken, as is required. Nevertheless, the committee allowed 20 days for the collection of the documents, and to only receive them on the morning of this hearing makes it difficult for us to ask properly informed questions.

I hope the answering of questions today, and further conduct towards this inquiry, will display greater regard for our system of government and the people who have elected members of the Assembly to represent them.

I now welcome to the table, to give evidence to the committee, Ms Jodie Ryan, Under Treasurer, Department of Treasury and Finance. I also welcome Mr David Braines-Mead, Deputy Under Treasurer, Department of Treasury and Finance. Thank you for coming before this committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee, and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you say should not be made public, you may ask that the committee goes onto a closed session and take your evidence in private.

Ms Ryan and Mr Braines-Mead, could you please state your name and the capacity in which you are appearing. Ms Ryan, you are also welcome to make an opening statement. Just before you do, I invite members of the Public Accounts Committee to declare any interests they may have.

Ms MANISON: Madam Chair, as we know, the Northern Territory can be a very small place and, following going through some of the submissions I want to disclose some of my relationships with some of the people who have made submissions. First, submission 7 from Mrs Jess Herriman – I acknowledge that is my sister-in-law. Second, submission 41 from

Mr Ian and Mrs Kit McNeill – they are my mother-in-law and father-in-law. As I said, the Territory is a small place, but for the sake of the openness and transparency of the Public Accounts Committee process, I want to ensure those relationships are fully disclosed on the public record.

Madam CHAIR: Thank you, member for Wanguri. I also declare an interest. My husband and I own a property very close to Richardson Park in Parap, but I do not feel that will in any way bias my judgment in these matters.

Mr WOOD: I let people know I am the patron of the Litchfield Bears Rugby League Club. I do not believe this will affect this discussion at all, but feel I should declare it anyway.

Madam CHAIR: Thank you. Does anyone else have any interest? Okay. We will go to Ms Ryan and Mr Braines-Mead. Could you each please state your name and the capacity in which you are appearing, and Ms Ryan would you like to make an opening statement?

Ms RYAN: Yes, I would like to make an opening statement. My name is Jodie Ryan. I am the Under Treasurer of the Northern Territory.

Mr BRAINES-MEAD: David Braines-Mead, Deputy Under Treasurer.

Ms RYAN: Thank you for the opportunity to make an opening statement. In making the statement, which will be short, I thought it would be useful to clarify Treasury's role with regard to the funding of the rugby league facilities in Darwin.

As the committee would be aware Treasury is responsible for the development and coordination of the Territory's budget, which includes development and publication of the budget papers.

Treasury first became involved with this project following a short listing of projects nominated on the Building the Territory website. That was the website which was set up by the government which provided for the members of the public to put forward projects that could be funded from the proceeds of the TIO sale. One of the projects that was put forward and short listed to proceed to Budget Cabinet was for the construction of a new rectangular stadium in Darwin capable of hosting national level fixtures for rugby league, rugby union and soccer.

The Department of Sport and Recreation was then requested to prepare a business case for Cabinet's consideration for the Budget Cabinet meeting held in March 2015. Treasury

became involved at that stage due to our role in coordinating submissions for Budget Cabinet.

The business case prepared by the Department of Sport and Recreation was for the construction of a Northern Territory government-managed facility at Marrara Sporting Complex and the estimated cost was \$100m with ongoing annual operating costs of \$1.32m.

The project estimate was based on a comparable medium-sized stadium and included a playing surface capable of hosting the three sporting codes, a large permanent grandstand with full spectator, corporate, media, player and concession facilities, and was capable of seating 12 000 people. It was to have appropriate lighting for televised events for the national games and video replay screen. There was also to be car parking facilities and public transport access – quite an extensive ask for \$100m.

A short amount of time was given for the preparation of that submission – three weeks to a month and that is why it was based on estimates of other stadiums around the country.

Given the cost of the proposal to the budget, government decided to look at alternative options that would provide better value for money. The ultimate decision was to approve \$20m in the 2015-16 capital works program for expanded facilities and seating capacity at Richardson Park capable of hosting rugby league, rugby union and soccer.

As the land at Richardson Park is owned by the Territory, it is an existing site that did not belong to any one rugby league club, and that the objectives of the project could be met at a substantially lower cost to taxpayers, it was decided upgrading Richardson Park represented far greater value for money. It was announced as part of the 2015-16 budget and was published in budget papers, and I believe it was subject to questioning at the Estimates Committee.

That largely outlines our key role, but I am happy to take questions from the committee.

Ms FYLES: Could we back track a little and you outline the process NT Treasury normally requires before a decision to fund a major project or major public works takes place? For example, business cases and what time frames would normally be used?

Ms RYAN: The budget Cabinet process is quite extensive, as you can imagine. Agencies put forward proposals that are then sent to Treasury and other agencies for comment. The short-listing of the Building the Territory projects was undertaken over Christmas, I believe, and business cases were requested of agencies as a result of that in

mid to late January – mid January. We request that all submissions are back to us by mid-February. They had about a month to put that together.

I think you are speaking to the chief executive of the Department of Infrastructure. They pulled together cost estimates for the Department of Sport and Recreation based on comparable facilities in Australia and internationally that have been built in more recent years.

Ms FYLES: That is talking about this process, but normally what are the guidelines, standards and time lines of Treasury for a significant project – would have in place?

Ms RYAN: Generally all agencies know they have to give us budget Cabinet submissions by the end of January, and it depends on what time they have been advised of that submission. It really depends on the submission. Sometimes it is a submission they have worked on over a number of months; sometimes it is something a minister has requested at short notice.

We would like to have lots of time and lots of robust business cases developed, but sometimes the time does not permit that. The other problem we have is with the timing of the budget. With budget Cabinet having to be in early March, we run into that Christmas to January period, which is a bit tricky.

Ms FYLES: Does Treasury normally require a cost benefit analysis for major public works?

Ms RYAN: What we would require is a business case, which should outline the options, costs, how firm the estimates are, land tenure issues, ongoing operating costs and that sort of thing.

Ms FYLES: Was that done in this case?

Ms RYAN: I think you have a copy of the business case in that documentation. It was done to the best ability in the time taken. Our comment to the budget Cabinet meeting was if that project was ticked off for approval it would need some further work done, because it was a very high-level business case. So we would have gone away and worked on a proper, more fulsome proposal.

Mr WOOD: Was this a private cost estimate that you used? There is a document here from RLB.

Ms RYAN: No, I think that was the 2009 one commissioned by rugby league ...

Mr WOOD: Did the government get a private one?

Ms RYAN: Not at that time. Again, you could ask the Chief Executive. My understanding is they looked at other stadiums around the country, and internationally, that had been built and said the cost worked out to be about \$7500 per seat, from memory.

Mr WOOD: Were cost estimates done for Richardson Park or only Warren Park?

Ms RYAN: The one that went to budget Cabinet was for Warren Park.

Mr WOOD: Was there no cost estimate done for Richardson Park?

Ms RYAN: For budget Cabinet?

Mr WOOD: Yes.

Ms RYAN: No. That was a consideration after the budget Cabinet process. This happens regularly; you go through budget Cabinet with all your projects – we are talking between 100 and 150 individual initiatives being discussed. We go back and confirm the decisions, and put together what the budget will look like with all those projects amongst the ongoing budget. There are times when government comes back to say something does not really fit, or we could get better value for money, and that is one of these projects.

The \$20m estimate was based on that report done in 2009 which I believe costed it at \$10.45m. So, it was escalated to 2016 dollars and a few million were added on top of that for additional scope.

Mr WOOD: So, you did not actually do one; you just relied on one from six years ago?

Ms RYAN: Yes.

Mr WOOD: Have you asked for one since, because there are many questions about whether \$20m is sufficient?

Ms RYAN: The Department of Infrastructure is out to tender right now. The tenders close on 18 November.

Mr WOOD: What would happen if the tenders go out and \$20m is not enough?

Ms RYAN: Then it will come back to Cabinet for a request to either increase the program or we reduce the scope to make it fit within the \$20m. That is something that happens quite a few times.

Mr WOOD: But \$20m is a fair amount of money. Also this has moved into – what do they call it? – the Major Projects area.

Ms RYAN: They are overseeing the implementation of the project.

Mr WOOD: That is right, but it gives the impression that this is a major project which, you would hope, before the government put out a ...

Ms RYAN: I could be corrected on this, but I think the reason it was put into Major Projects is because there are so many agencies involved in this. Often, with an infrastructure project there is a sponsor agency like the Department of Sport and Recreation and the Department of Infrastructure manages the project for them and deliver it. In this instance, we needed Land, Transport, Sport and Recreation and Infrastructure to be involved ...

Mr WOOD: And you only had three weeks to do this? Is that correct? Or less than that?

Ms RYAN: For what?

Mr WOOD: Well, you had an estimate of \$100m first ...

Ms RYAN: Yes.

Mr WOOD: Right. And that went to Cabinet ...

Ms RYAN: Yes.

Mr WOOD: Then the one you have not mentioned is there was a \$42.5m estimate ...

Ms RYAN: Yes. That was the decision that came out of Budget Cabinet. I think that is in the submission. \$42.5m was the decision from Budget Cabinet and that is when the wash-up of all of the decisions made was put against the current budget and it was decided to go back and look at alternative options. And there was not a lot of time taken, no.

Mr WOOD: How much time between when \$20m was decided and it was approved? Obviously, if you have said ...

Ms RYAN: It was decided and approved at ...

Mr WOOD: What I am trying to get at is you would have had some knowledge. Someone would have done some work to show that the \$20m was enough to do all this work that is supposed to happen. I would presume Treasury would have had a look at that.

Ms RYAN: No. The decision – and I cannot talk about deliberations of Cabinet or government ...

Mr WOOD: No, no, I did not mean that. When was it decided that \$20m was ...

Ms RYAN: We were advised two weeks after the Cabinet decision that they had been looking at other alternatives and the decision was \$20m at Richardson Park would be a much better option and the \$20m was based on the estimate in 2009 escalated for 2016 dollars with an extra amount added as well to make ...

Madam CHAIR: Who decided on that figure of \$20m? Was it a Treasury decision to allocate ...

Ms RYAN: It was a government decision.

Ms MANISON: Cabinet made that decision and advised Treasury of it?

Mr WOOD: Was it government that advised or did a minister request it? If so, who was the minister?

Ms RYAN: At the end of a budget Cabinet the Treasurer has authority to make adjustments, which is usual and happens every year. In this instance the adjustment from \$42.5m to \$20m was one of the decisions made.

Mr WOOD: Part of that adjustment was to go from Warren Park to Richardson Park?

Ms RYAN: No, the \$42.5m decision says to build a new facility – scoped to fit within \$42.5m. There was no mention of a site in the Cabinet decision.

Mr WOOD: The \$100m was for Warren Park?

Ms RYAN: The \$100m was for Warren Park, but the decision that came from Cabinet was for a \$42.5m facility.

Ms FYLES: With no venue?

Ms RYAN: Because the scope was – the cost was way less it had to be scoped to fit within that number. That meant you might have had to go somewhere else. Discussions had been had. We have a new rugby facility at Palmerston that possibly was a better option, yes. There was a range of options that could have been looked at and the decision purposely did not mention Marrara.

Madam CHAIR: Jodie, can I just recap on what you have said. My understanding is the idea to move rugby league came about from the Building the Territory website where it was put up that it was a good idea to move it to Marrara - Warren Park.

Ms RYAN: Previously the NTRL had mothballed Richardson Park so the project put forward was to build a new facility. I do not think it mentioned Marrara. It just said a new facility that could host rugby ...

Madam CHAIR: Most of the document we have in front of us which was supplied this morning from the Department of the Chief Minister suggests that the intent was to move NTRL to Warren Park. You are not aware of that?

Ms RYAN: No. We became involved at the time it became a budget Cabinet submission.

Madam CHAIR: A submission went to budget Cabinet for \$100m to develop a ...

Ms RYAN: Yes, a brand new facility.

Madam CHAIR: ... facility at Marrara for

Madam CHAIR: A submission went to budget Cabinet for \$100m to develop a brand new facility at Marrara for NRL.

Ms RYAN: Yes.

Madam CHAIR: That decision was not passed in budget Cabinet from your understanding. The decision changed to a \$42m ...

Ms RYAN: The decision from budget Cabinet was \$42.5m for a new facility.

Madam CHAIR: A facility with an unknown venue.

Ms RYAN: Yes.

Madam CHAIR: So, from your perspective, two weeks later you were advised – with no involvement from Treasury – that \$20m would be spent on refurbishing Richardson Park.

Ms RYAN: And we asked where the \$20m had come from, for our information.

Madam CHAIR: You had no input into the costing of the \$20m refurbishment of Richardson Park.

Ms RYAN: No, but we were advised that it was based on a report that had been done by a reputable firm.

Madam CHAIR: Six years ago.

Ms RYAN: Yes, for half the cost – it was \$10.45m, not \$20m.

Ms FYLES: With the process, obviously when there is expenditure each agency comments. Treasury comments – is 'blues' the correct name for the papers?

Ms RYAN: It is not always like that for budget Cabinet. You are talking 150 submissions. If they were running all around government it would be tricky. In regard to business cases, every submission goes to Treasury, Department of the Chief Minister and Department of the Attorney-General and Justice.

Madam CHAIR: Having been the Treasurer for seven months ... That is all, but it was a very significant part of my life. My understanding is Treasury is involved in all allocation of funds, particularly of that size; \$20m is a significant spend. To not include Treasury in the costings, or a business plan for the allocation on \$20m, is unusual. Do you agree?

Ms RYAN: Not necessarily for that time of year. A large number of infrastructure projects were put on the capital works program. Often projects are put on that program and then the work is actually done to design, cost estimate and go out to tender. Sometimes they go onto a capital works program and they may not be built for one or two years. That has been practice ever since I have been in Treasury, which is a very long time.

For infrastructure projects, the \$42.5m – and this is a Treasury view – would be difficult to maintain. Either the project would have to be substantially scaled back to fit within \$42.5m for a brand new facility - and you would end up with a suboptimal result which no one really wanted - or they would go away, do the costings, scope it back as much as possible in order to make sure it was a facility that was useful and we would have to add a substantial amount to the budget.

From our perspective, going to Richardson Park – if we had been asked – was a much more sensible outcome. We had the land, the services, there is some car parking and it has been a rugby league facility for 40 to 50 years, probably longer. It was a matter of upgrading the stadium and expanding it a little. From our perspective – and we are always worried about the money – we would much rather spend \$20m on upgrading than putting a number of \$42.5m on a capital works program that could go back towards that \$100m number, recognising still that the \$20m would need to be worked up. We would need to go away and have work done, which is what has been done and is now out to tender, so by next week we will know how those estimates went.

Mr WOOD: What we saw originally was a one-field upgrade ...

Ms RYAN: Yes.

Mr WOOD: That was what the \$20m was for?

Ms RYAN: The \$20m was for upgraded facilities – I think the final wording was upgraded facilities at Richardson Park.

Mr WOOD: But the minister issued a media release and included a document that showed a one-field upgrade.

Ms RYAN: And there were discussions with NTNRL ...

Mr WOOD: That is right.

Ms RYAN: ... which said a second field would be preferable.

Mr WOOD: What I am getting at is now the government is saying we will have a two-field upgrade. So will \$20m be sufficient for a two-field upgrade?

Ms RYAN: I guess I will be able to answer that next week.

Mr WOOD: Okay. Then, of course, are any ...

Ms RYAN: Then we – sorry, not we, Cabinet – if it is more Cabinet decides whether we scope it back.

Mr WOOD: But is it not the case that there are other areas which have not been covered, for instance, car parking? This does not cover the complete works required?

Ms RYAN: Sorry, you would have to talk to the Department of Infrastructure about that.

Mr WOOD: I will get you to go back. I gather – and this is the problem with only receiving this now – the business case from the agency, Department of Sport and Recreation, for a rectangular sporting stadium says the location proposed was 105 Abala Road, Marrara ...

Ms RYAN: Yes.

Mr WOOD: Okay. When you go to 'Project objective' it talks about:

Develop a first-class facility that can be home to rugby league football and rugby union, grow and support sport in the Northern Territory and host national fixtures such as NRL and A-League games.

It says under that:

Investigations were undertaken into the potential to redevelop Richardson Park in the existing NT Rugby Union site at Marrara ...

We have not heard what happened to that investigation into the rugby union site, and that is an issue we should take up.

Ms RYAN: Yes, you could take it up with sport and rec, but I think that investigation was done by NTNRL.

Mr WOOD: This is your business case template which says:

Richardson Park, constructed in the 1960s, although extensive infrastructure by Territory standards, has predominately outlived its purpose as a major sporting venue due to noise complaints from nearby residents and comprising only one playing field.

A report in 2003 by Stanton Partners advised that any expansion or upgrade is not viable at the current location. Parking was also considered inadequate to support spectator seating provided.

DoI advise that the NTRU site at Marrara would require substantial surgery and could not accommodate the scope of the proposed stadium within the boundaries.

You have a report, admittedly from 2003, which said any expansion or upgrade is not viable.

Ms RYAN: I have not seen that report. This is the Department of Sport and Recreation's business case. Unfortunately they have used Treasury letterhead, but it is the Department of Sport and Recreation's business case.

Mr WOOD: If you had known that would you have queried the government spending \$20m on something which has been reported by a company to be not viable to upgrade?

Ms RYAN: In 2009 there was another report to rugby league which said it was and would cost 10.45. There are various reports.

Mr WOOD: There was also an application by NT rugby league to go to Warren Park for \$16m, which was their application. They costed going to Warren Park.

Ms RYAN: I am not sure how those cost estimates were put together. Warren Park would need substantial work. Even this says there were difficulties with the site.

Mr WOOD: That is the rugby union site. They are not talking about the rugby league site. DoI advised that ...

Ms RYAN: The NTRU site?

Mr WOOD: Yes, because they were looking at two possibilities as well – I presume one of the sites was the rugby union one, and I do not know what happened with that either. Have there been some detailed studies of – was \$20m just pulled out of a hat saying, 'A lot of us love rugby league at Richardson Park' – I can understand that, but how much effort was put into checking if the rugby union field could be used? We are saying the main reason for an upgrade is for NRL fixtures, which are about one a year, and they mention A grade soccer. I have my doubts about soccer wanting to play on a rugby league ground.

Ms RYAN: That is what was requested of the agency.

Mr WOOD: We are talking about upgrading for one major game a year, maybe two. It would be interesting to see who made the decisions about Richardson Park versus Warren Park or rugby union, whether it should go to Palmerston – it has been said we are putting it in a no-growth area compared to the suburbs.

Was there any discussion about that, from a Treasury point of view, as to whether this was a good decision?

Ms RYAN: The Richardson Park decision – from a Treasury point of view, yes. It is far better value for money and we have more belief in the \$20m estimate than we had in the \$42.5m for Warren Park, or any other facility. For a brand new facility – this is from years of

experience – creating a building it is always far more expensive. You have water, sewerage and electricity services, transport issues, car parking – you are starting from scratch. It is an economic view from Treasury and we are constantly managing the budget.

Mr WOOD: I just want to know whether the \$20m will be far more than that. People have been told it will only be \$20m, but can you guarantee that will be it? Could it be \$42.5m?

Ms RYAN: I could not guarantee that with any project before it goes to tender. Within a bit over a week you will have an answer on that.

Ms MANISON: I have a few questions around Treasury's role when these types of decisions are made about expenditure. I am interested in finding out the view Treasury takes on a site like Richardson Park, which has other important infrastructure around it, such as a government school. That will be impacted by this change. It is an area known to have significant land constraints and issues, especially with drainage and flooding.

When you are looking for best value for money with the Treasury hat on, but also looking more broadly across it – Treasury has a good overview to other agencies and their strategic operations, population growth and constraints on government infrastructure. So when you look at a site like Richardson Park, which has the social infrastructure of a school nearby, as well as land constraints with drainage and flooding problems, is that something you take into consideration when you look at best value for money as part of that \$20m?

Ms RYAN: Often we will rely on Lands, Planning and Environment for the land issues; we are not flood experts. I guess we rely on the fact there had been a rugby league facility operating successfully there for many years.

With regard to the school, the Ludmilla school site, from memory, is one of the largest school footprints we have in the Territory. I do not remember the estimates but we are encroaching on the school grounds by a very minimal amount and there is a large amount of space at that school. I do not think there was ever any thought that the school would be disadvantaged in any way. In fact, if we had considered it, the school will now have access if the second field proceeds – which I expect it should do – to a brand new playing field. I would have thought, in the school's eyes, this should be a good outcome.

Ms MANISON: But as part of following due diligence when decisions are made by government, when information is put in for the Budget Cabinet process to attract those important budget dollars the ministers fight for around the Cabinet table. Generally, in that decision-making process, land constraints such as drainage issues and other types of

historical issues as well as school growth and potential would be issues that should be considered to make sure that \$20m gets them there?

Ms RYAN: In an infrastructure proposal process it is often that projects go to Budget Cabinet and then are fully worked up once Budget Cabinet has said, 'Yes, we want to proceed'. Often developing an infrastructure project is quite expensive. You generally have to get consultants of various types - architects, engineers and in this instance you might need flood experts. We do not want the Department of Infrastructure to be spending millions and millions of dollars every years fully designing projects which get to Budget Cabinet and Cabinet says, 'We do not want to do that'.

So our preference, again from a Treasury perspective, is that there is some work done such as preliminary estimates, there is some knowledge around land tenure because that is often a key consideration. While there was a lease over the site, it was only until 2020, I think. We also have concerns about how long it will take to get up and running. So again, a new facility would have taken much longer to progress than an upgrade to an existing facility.

Our preference is that some work is done up front. Once Cabinet has said, 'Yes, this is a project we are serious about and we want it to go on the capital works program', then the full work would be done by all of the consultants.

Sometimes a proposal is put forward earlier in the process – not in that Budget Cabinet process. By the time it gets to Budget Cabinet we know that Cabinet wants to do the project. It has been worked up in much more detail, and that is often where Cabinet can decide if it wants to spend this amount of money, reduce the scope and how it wants to work it.

Infrastructure projects are quite different to recurrent proposals. Recurrent proposals, from Treasury's perspective, are the ones that can do a lot more harm to the budget in future years.

Ms FYLES: Focusing on that point, we have heard the explanation around analysis and feasibility going forward. Was it concerning that rugby league had walked away from the facility a short time before?

Ms RYAN: Not from our perspective. We were focused on value for money.

Ms FYLES: Have you asked the Department of Sport and Recreation – obviously they will own this asset – the NT government – about the ongoing cost because that was one of the reason rugby league walked away? You say for great infrastructure projects we spend

an amount, but you do not like projects that have ongoing costs. There is potential for significant ongoing costs at this facility.

Ms RYAN: There will be ongoing costs. I read somewhere that rugby league walked away because the ongoing costs were \$87 000 or ...

Madam CHAIR: It was \$5000 per week. That is the information we were given.

Ms RYAN: The proposal put to budget Cabinet was ongoing costs of \$1.3m a year. That was the cost of a brand new facility.

Madam CHAIR: What are the ongoing costs for this facility?

Ms RYAN: I do not think we have an estimate for that yet. It would be closer to \$5000 per week than \$1.3m.

Ms FYLES: During estimates sport and recreation was unable to talk about ongoing costs and ongoing management. Does it concern Treasury that an agency would be building a facility but does not have feasibility studies or an analysis of ongoing costs?

Ms RYAN: At the time of estimates the design would not have been worked through. It depends on what you end up with.

Ms FYLES: They had no allocation – not one cent?

Ms RYAN: No. Sport and Recreation get an allocation for repairs and maintenance every year in their annual budget. If the repairs and maintenance and operational costs were substantially higher than what they could afford in their budget they would ask for funding. Often with these infrastructure facilities, particularly when they are upgrades, agencies have the capacity to manage it and they only come back if they cannot.

Ms FYLES: Sport and Recreation have a very tight budget, we know that. The reality is they will probably come back to Treasury for ongoing operational costs, but we have no documentation for those figures at this point?

Ms RYAN: No estimates as yet. Once we have the design, it goes to tender, we know what it will cost and we know what we are building - that is what we would like to look at.

Ms FYLES: Once we build our \$20m facility we may find it costs us \$1m a year to run?

Ms RYAN: Before we build it we will do those estimates.

Madam CHAIR: What work has Treasury done on this project from the day it

Madam CHAIR: I just want to ask about what work Treasury has done on this project from the day it was announced in the budget to when it went out to tender. That is about five or six months. What work has Treasury done on this?

Ms RYAN: I would not call it work. The only work we have done is that I sit on the implementation steering committee that was set up by the Department of the Chief Minister. That is the coordination group between those agencies I mentioned earlier – Lands, Transport, Sport and Recreation, Infrastructure and Department of the Chief Minister.

We have been allowing Infrastructure to do its job and work up a design. It has now gone to tender. Once it comes back we may get involved, depending on what the outcome is.

Madam CHAIR: So, Treasury has not had any involvement from when it was announced by the Treasurer to date.

Ms RYAN: No, and that would be normal for most infrastructure projects. Once they are announced in the budget, Infrastructure works with the agency and we would only get involved if there is a funding issue that arises.

Mr WOOD: In regard to the economic side – there is a social and a planning side to it. You have an existing development which needs approval to be expanded because it is a discretionary ...

Ms RYAN: The Richardson Park site?

Mr WOOD: That is my understanding; Lands and Planning may have a different point of view. It is a commercial recreational site, not a little park out the back where you can kick a footy. There will be planning issues if you use the school for an expanded facility, and we know some residents have concerns about an expanded facility.

The government has gone to tender, so would one not feel that is putting the cart before the horse? If you have gone to tender you mean this will happen. Does Treasury ask questions of the government before going down this path, such as, 'Have you taken due diligence to ensure everything that needs to be done first is done before going to tender?'

Ms RYAN: Once a decision is made by Cabinet, we do all we can to make sure it is implemented. You can talk to Lands or Infrastructure around the planning issues, which I think are under control. They know there is a process to go through, which they will, but once a decision is made we would not go back to Cabinet and say, 'We think you have made the wrong decision' or, 'Have you thought about these ten things

Mr WOOD: Would you be concerned that the government has decided it will go ahead with tenders? If you are looking at it from a purely neutral point of view – and I am not saying this facility should not be expanded or take a position on the future of Richardson Park – there are requirements which should happen first? The impression you get is if the tender has gone out, then no matter what the public say, what other reports come in, what the cost might be in overruns for an extra field and car parking facilities, upgrade of the road to the race track and the new footpath from Bagot Road, this will happen. So no matter what other bumps might be there, well, too bad, it will happen.

Ms RYAN: In any project, once you go to tender issues can arise and government can reconsider. So, the issue of going to tender is that a decision was made by Cabinet and announced in April and the aim of having facilities upgraded – and this has been mentioned on a number of occasions – and whether we achieve it or not is to have it available for the Eels game next year, our next national fixture which is in July – I do not know the date, sorry, but it is mid-year ...

Mr WOOD: But again I say ...

Ms RYAN: In order to meet the deadline asked of us by Cabinet – so as far as we are concerned we have a decision, we need to implement that decision and go to tender to get that process started. I cannot comment on any other ...

Mr WOOD: That is all right. I am trying – we do not have the Treasurer, who will not turn up, or the Chief Minister, so I am sorry if you are the bunny. It is not meant to be that way.

Ms RYAN: No.

Mr WOOD: But there is a bigger picture that is missing in this discussion. It is just not dollars, it is people, an environment, planning and other issues as well that need to be taken into account.

Ms RYAN: From our perspective this is not an unusual project. Projects go to Cabinet, it makes a decision, government agencies implement those decisions.

Madam CHAIR: Would the ongoing operational costs would have been included in the forward estimates in the forward budgeting?

Ms RYAN: Not at this stage ...

Madam CHAIR: Not at this stage?

Ms RYAN: ... because it was an upgrade to an existing facility. Until we know how big a facility it will end up being and able to cost that, there are no specific estimates for the ongoing cost, but there is a specific allocation for repairs and maintenance in Sport and Recreation's budget and a specific allocation for operational costs ...

Ms FYLES: It is an upgrade to an existing facility the Northern Territory government does not have control of. Is that not taking a bet each way?

Ms RYAN: We do not have any firm estimates to put in. Our preference from Treasury is that it will be managed within the existing forward works. We have a repairs and maintenance allocation going forward of close to \$200m in the forward estimates. We would like to think that this facility could be managed within that number.

Ms FYLES: Currently it is not managed by the NT government?

Ms RYAN: No, but every year facilities – we manage things we have not managed in the past or we stop managing things we have managed. We try to focus on the whole of the Territory government's budget rather than each individual agency. From our perspective the forward estimates should be able to cope with what should be a relatively small increase in sport and recreation's costs.

Ms FYLES: Just recapping on some Gerry said, the Treasurer's infrastructure program direction states a number of points. Was that direction fully complied with for the Richardson Park upgrade before the decision to proceed?

Ms RYAN: I would have to look at the directions.

Ms FYLES: The agency submitting a major works for consideration a client agency should design - and documentation is fully developed to allow the project to proceed to construction in the coming financial year. The project includes an order of cost estimate. The project has the written endorsement of the relevant minister etcetera. Was that ...

Ms RYAN: That business case that was put forward was to comply with that. It was a business case and set out the cost estimates. It was endorsed by the minister. As far as I am concerned, yes, that – it did not just walk into Cabinet with a number; a business case was put forward.

Mr WOOD: One of the problems we have is we just received some of the paperwork and it is difficult to ask questions around the business case when we have just received it plus a stack of other paperwork. Would the business case show \$20m? I am having a quick look but ...

Ms RYAN: No, the business case was for \$100m at Marrara.

Mr WOOD: Was there a business case which showed the \$42.5m?

Ms RYAN: No, that was a Cabinet decision and I cannot discuss Cabinet decisions.

Mr WOOD: Did they just make that decision?

Ms RYAN: That was the Cabinet decision.

Madam CHAIR: Treasury was not involved in making the decision around the \$42.5m?

Ms RYAN: That was a Cabinet deliberation and I cannot go there.

Mr WOOD: Was there a business case for Richardson Park?

Ms RYAN: The estimate for Richardson Park was based on the 2009 report.

Mr WOOD: No business case like the one we see here?

Ms RYAN: No. Like I said, that is not unusual for an infrastructure project.

Madam CHAIR: I am a bit confused. You said this would come under repairs and maintenance.

Ms RYAN: The ongoing repairs and maintenance as well as operating costs to the facility.

Madam CHAIR: But the refurbishment is not.

Ms RYAN: No, the refurbishment is part of the \$20m on the capital works program.

Mr WOOD: Where I get confused is - what started this discussion was the NT Rugby League Association brought out a document, which was quoted in another document. It basically said, 'We, as an association, support the move to Warren Park, and the cost will be a bit over \$16m', so they must have put it to government somewhere. My understanding from reading some of the paperwork that both governments supported – one was Labor at the time – is somewhere along the line that changed. It appears to have changed at the last minute, which is this year just before the Budget was approved.

We have a fairly good business case from NTRL as to what it would cost to move to ...

Ms RYAN: We have not seen that business case.

Mr WOOD: The problem I have is they put out a business case, which may have been a bit out of date, if looking at it now, but no one has said what was really wrong with it. All we have seen is a possible Metricon Stadium version, which would be a bit over the top. Then we saw the \$42.5m, and most of us still thought it was going to Warren Park. Then, bingo, just before the budget - \$20m to Richardson Park.

It might worry the people who live in the area, but it does not worry me. Has the government taken due diligence? It appears this decision was made very quickly in the time line of what we have seen over the last few years. We want to know on what basis that was changed. Did someone have a bright idea? Were other people involved in the decision?

Did Treasury check out – and my concern is the \$20m is based on an old plan. You have an extra field which will not be cheap and as far as I know you have not included car parking, upgrades to roads and a bus interchange. There is a range of things which could blow this \$20m out substantially. That is where I would be much more comfortable if I knew what the real price will be. If it ended up being \$40m, I would say you may as well have gone to Warren Park.

Ms RYAN: But we do not know that the \$40m would have worked at Warren Park. The \$42m is not for Warren Park, it is for a new facility. We still would not know about that.

Madam CHAIR: So the \$42m and the \$20m were not based on any documentation or business plan?

Ms RYAN: The \$20m was based on ...

Madam CHAIR: The 2009 data and research.

Ms RYAN: Yes. From what I can gather, there has been quite a lot of discussion for quite a long time around the options. It makes it sound like it was a quick decision, but as I said, when you come out of Budget Cabinet and put all of the decisions into what is a large ongoing budget, sometimes Cabinet says it cannot manage all of those decisions and reconsiders some of them, and this was one of those. From our perspective, if it comes out at a higher cost than \$20m that is when Cabinet can decide if it wants to proceed or not. That is always government's call.

From a Treasury perspective, this is better value for money than a facility that, for a start, would not meet the time frames and we would not know what it would cost in the end.

If the \$42.5m had stayed as a decision, this work would still need to be done. There would have to have been design work done. We would have to go to tender, so the work would still have been required.

Madam CHAIR: But from what you said before, you do not know whether this will be value for money. You do not know if it will be a good decision or not because you are still waiting for the tenders to come in ...

Ms RYAN: No, we have ...

Madam CHAIR: ... because you have not done any work on this at all, have you – you have said?

Ms RYAN: Me personally, no.

Madam CHAIR: The Treasurer.

Ms RYAN: The Department of Infrastructure has done preliminary estimates. It has gone to tender on the basis of that preliminary design.

Madam CHAIR: But from a Treasury perspective, you already told us you have not been involved and you do not know.

Ms RYAN: Treasury does not confirm what infrastructure comes up with these estimates because they are the engineers.

Madam CHAIR: Okay.

Ms RYAN: If the tender comes out at substantially more than what is allocated, then it will go back to Cabinet and at that point, you would imagine Treasury will get involved at that point.

Madam CHAIR: One final question. You say that from a Treasury perspective this is a good decision because it is a low cost decision. Does a low cost decision always been it is a good decision?

Ms RYAN: No, but in our estimation the \$100m estimate could have been accurate. There was look at what had happened nationally and internationally, and for a stadium of that size we were looking at a very large number. From our perspective, in the budget situation we are in at the moment, upgrading an existing facility that had been in use in the past seemed much better value for money.

Mr WOOD: Did you look at the cost of selling the land at Richardson Park or the money you could receive for selling it?

Ms RYAN: No.

Mr WOOD: It is government land, and using that money to invest in Warren Park.

Ms RYAN: And whether we would have had to put other services – we would have to worry about floods and mangroves. No, we had not looked at that. It may be it would not make any money for us.

Mr WOOD: The plans we seen now appear to be mainly based on an upgrade of the existing grandstand, and most of the rest of it would be temporary grandstand. There will not be permanent grandstand seating in most of that ground is what I was informed.

Ms RYAN: The permanent grandstand will meet the – everyday requirements needed. The temporary facilities are for that once a year or once every two years that we have national games.

Mr WOOD: Was any consideration given to leaving it as it is and allowing club games and the one game a year, which is what you are looking at ...

Ms RYAN: Keep it at Marrara?

Mr WOOD: Even temporary lighting if you had to. I do not know if that is feasible, but you are looking at temporary seating ...

Ms RYAN: (inaudible).

Mr WOOD: Where will you get the money from to operate the park? I think touch, soccer and Aussie rules have been quoted. The minister issued a media release 2 days ago saying they would play nines. Has some evaluation of what income you would receive from other codes been done and is it realistic?

Ms RYAN: None of that as yet. As far as I know – the announcement about AFL was yesterday so I do not know if any work has been done on how often those games would be played and what income – that would be picked up as part of the – when we look at the ongoing costs we will also be looking at the ongoing revenue.

Mr WOOD: Early media releases mentioned touch and soccer, and when I spoke to a senior soccer person they said there was no reason for them to go there because they have a perfectly good ground. I presume rugby union, and now we have heard AFL nines, which

would be the only AFL game you could fit on that ground for junior football. Was that part of the overall financial business plan for this park?

Ms RYAN: I think I said at the beginning, Sport and Recreation was asked to put together a business case for a facility that would host rugby league, rugby union and soccer, and they felt they had fulfilled that request with this business case they put to budget Cabinet.

Mr WOOD: My understanding is soccer clubs are not interested because they do not believe they will get A-Grade games up here, I mean like Manchester United versus someone else. If you get one game from each of those sports, that sounds like a weak excuse to build a facility, just for one game a year.

Ms RYAN: I guess that is why we were not keen on the \$100m.

Mr WOOD: I am not saying the \$100m was good either, but NTRL said \$16m to upgrade Warren Park and no one seems to have taken any notice of that. Not saying that is the cost today, but that was the cost when they said they wanted to move to Warren Park.

Madam CHAIR: We have about two-and-a-half minutes to go. Did you have any final questions?

Mr WOOD: No.

Ms FYLES: The project seems to be expanding, so it has gone from being one field to two fields, and they are now talking about rerouting roads in the backstreets of Ludmilla and at one point the minister mentioned a road through the mangroves. Would it not concern Treasury that one figure has been used the whole time and the project keeps getting bigger to meet milestones? Would you undertake any risk analysis before the project?

Ms RYAN: Once we get the tender back and know what is there – I am not sure about the work being done on the road and the other bits and pieces you mentioned. If it does not fit within the number that has been approved, Cabinet gets to re-scope, which is when we would look at it. Infrastructure projects are a moving feast all the time. Sometimes they are scoped out, then the tenders go out and we pay less, but sometimes it is more. If it is a small amount and an agency can find substitution from another project, that is fine. When it is a large amount and they need an additional allocation, it will go to Cabinet and it will be decided whether they continue with the larger amount or re-scope the project.

Ms FYLES: Do you provide advice and risk analysis?

Ms RYAN: Yes. We would provide advice on how it would fit.

Ms FYLES: Obviously there would be significant impact. The school is a government asset so that makes it a little easier. But is Treasury at all worried about any cost that might be involved for surrounding residents?

Ms RYAN: I am not sure. Given that it is an existing facility and ...

Ms FYLES: It is an existing facility for quite a small number of patrons – I think 1500. What they are proposing is a 10 000 seat stadium with huge lights and sound.

Ms RYAN: I have attended several national rugby league games there before with 10 000 people, so it would not be the first time they have held large events there.

Ms FYLES: No, no, but the upgrade to this facility has quite considerable scope. We have just talked about different sports that may use it. The minister said there may be music there. Is Treasury not at all worried that there could be an impact on the taxpayer from any adverse effect on residents?

Ms RYAN: Our worry about the taxpayer is that we do not spend their dollars frivolously. Upgrading an existing facility ...

Ms FYLES: We have not had a cost analysis of a rugby league venue and what is most suitable for Darwin's needs? That has not been done?

Ms RYAN: This business case has been done. Various reports have been done for rugby league.

Ms FYLES: They have all been done on different ...

Ms RYAN: The decision has been made around Richardson Park and we are going forward on that. There is a tender going out. The outcome of that tender will help us with our next step.

Ms MANISON: Sorry, Ms Ryan, my last question. To be absolutely crystal clear, from Treasury's perspective, was the decision for the \$20m to go to Richardson Park as part of the budget made as a Cabinet decision or a particular minister's direction to Treasury?

Ms RYAN: The Treasurer is allowed to authorise final changes, so he authorised that change. But my understanding is that discussion was made – I do not know if it was all of Cabinet, some ministers. It certainly was not him alone.

Ms MANISON: Okay, but effectively signed off by the Treasurer as a direction from the Treasurer.

Ms RYAN: And that is how the process works for Budget Cabinet, because we have a very short amount of time between the Budget Cabinet decisions and having to publish six budget papers. So rather than have to wait for a Cabinet meeting, Cabinet authorises the Treasurer to do that. That has been the case for 20-odd years.

Ms MANISON: Thank you.

Madam CHAIR: Okay. That concludes our questions. Thank you very much, Jodie Ryan and David Braines-Mead from the Department of Treasury and Finance for joining us this afternoon. We appreciate it, thank you.

The committee suspended

AFL NT

Madam CHAIR: I welcome to the table to give evidence to the committee Mr Ross Coburn, board director of AFL NT.

Thank you for coming in this afternoon, Ross. We appreciate you taking the time to speak to the committee and look forward to hearing from you today. This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply.

This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that you should not say something in public you may ask the committee to go into a closed session and take your evidence in private.

Mr Coburn, could you please state your full name and the capacity in which you are appearing. You are free to make an opening statement if you want.

Mr COBURN: Ross Coburn. I am here as chairman of AFL NT.

Ms FYLES: Was AFL NT consulted in the lead-up to this decision being announced publicly?

Mr COBURN: Not originally, but in recent times we saw an opportunity to promote one of our games but did not have the right venue for it and the right facilities to play. We are very keen on anything that gives infrastructure – that allows participation, particularly sports participation in leading healthy lifestyles. This is the social part of our game that we are trying to grow very strongly. The AFL nines is reasonably interested in it.

One of the other things that comes with this proposal, if it gets up, is portable seating – mobile seating, which would be for us of significant interest around extra capacity for TIO stadium.

Madam CHAIR: Could you please turn your microphone on and restate your name and position?

Mr COBURN: Yes, Ross Phillip Coburn, and I represent AFL NT as its chairman.

Ms FYLES: I asked if AFL NT had been consulted before this decision was announced.

Mr COBURN: My answer was initially no, but we saw the opportunity to grow a part of our game that this oval structure would be suitable for. In addition to that – that is our AFL nines - we see a great opportunity for portable seating to be utilised in TIO Stadium for additional seating capacity for AFL games.

Mr WOOD: Was it possible that rugby league fixtures could be held as the major fixtures on TIO oval and brought closer to the grandstand with the other side using the portable equipment we have spoken about?

Mr COBURN: We know it sits in the middle of the ground at the moment during games. Your option is to be closer to the grandstand I am assuming.

Mr WOOD: Yes.

Mr COBURN: Our concern is damage to the ground for our AFL standard and we need to maintain the standard of the ground surface. Anything going onto the ground without full coverage – you will notice when there are bike events, there is a full coverage of timber first, then sand. It is not something we wish to have. Another example is loading the cricket pitch, we spend a significant time bringing up to scratch the area those pitches are being driven in from. It is difficult and is not the preferred option.

Ms MANISON: Clearly you have been hosting the big NRL games at TIO Stadium when they have come through. From AFLNT's perspective, is that something you would like to keep accommodating? Or would it make life for AFLNT easier not to host those big games?

Mr COBURN: Now that we play AFL all year round here, when there is a major event government assumes total control of the stadium for a period of time. I will use cricket as an example again; it could be for up to six weeks prior to the event, and at least two weeks after. With AFL being played all year round, it is preferred that we keep it for that, but understand we simply occupy the facility. We have been working with government on as many events as possible. Most of the time, the ground and facilities are assumed by rugby league or cricket, whose money opportunities for us is only through the canteen.

Ms FYLES: You have a lease over TIO Stadium from the NT government, but what about the ongoing costs of managing that stadium? Is that mutually agreed with the government? It is getting new paint and quite significant repairs. I presume the government is paying for that? How does all that ...

Mr COBURN: Our occupancy of the place is allowed for greater partnerships. I am not sure if you are aware, but all that paint for that ground has been donated. We secured that donation and sponsorship through Haynes. That is the beauty of being able to do it that way. We have what I think is a long-term lease in perpetuity. I am not sure about that to be honest, I need to check that. We pay a rental each year for it.

Ms FYLES: Do you know approximately how much you pay a year?

Mr COBURN: This figure might be a few years old, but it was \$50 000.

Ms FYLES: So AFL NT pays the NT government \$50 000 a year to reside at that facility?

Mr COBURN: Yes, it is a lease fee, basically.

Ms FYLES: Yes. The points you have raised about the positiveness of a ...

Mr COBURN: Partnership.

Ms FYLES: No, sorry, of a rugby league stadium seating and the nine's facility. It does not matter whether it is Richardson Park or Warren Park or Palmerston? The seating would be available regardless of the location and the venue of the nine's. You are after the field as such, not particularly location. You pay the government \$50 000 a year.

The Public Accounts Committee's role is looking at government expenditure. Obviously \$20m is a huge amount to spend to start with. We need to make sure that is the best spend for Territorians. But the ongoing cost is something we are concerned about, considering rugby league had walked away from the facility citing they could not maintain it.

We have been trying to get figures from Treasury about the ongoing cost of Richardson Park. For us and our perspective it is interesting to hear that you guys pay NTG to be there, and significantly support the infrastructure with the paint, etcetera.

Mr COBURN: We have an AFL stand and venue, where we are, which needs a lot of work to hold it. But we see us doing partnerships rather than working against or waiting for government. If you have a look at corporate boxes up there, we have put those in with sponsorship ...

Ms FYLES: So AFL has paid for those corporate boxes?

Mr COBURN: Yes, with corporate and naming rights sponsorship.

The Michael Long Learning and Leadership Centre has some government money in it, but not a great deal. That is sitting on a lease owned by government so we cannot borrow against it or anything like that. But we raised \$15m to go towards that. If we were kicked out of the stadium, we get kicked out of there. So we have a real strength to remain as a partnership and build that facility as best we can.

We would like to play all sports there, but some sports are just not suitable for the venue.

Ms MANISON: With regard to previous visions and plans for Warren Park to be redeveloped to provide rectangle fields and sporting opportunities, had AFL NT been in any discussions with the government or rugby league about that potential?

Mr COBURN: No, not consulted at all.

Ms MANISON: It sounds exciting that the AFL nines can have access to more venues to play the game, but to be around the same precinct could be advantageous for you to be across the road at Warren Park as opposed to Richardson Park. Do you think that would be a more cohesive arrangement or it will flow on well to go to Richardson Park?

Mr COBURN: It would be a personal opinion only, and I would rather not do that. I think \$20m spent on any sporting infrastructure is fantastic and we would be very supportive of that. The rest of it would be a personal opinion.

Mr WOOD: I want to ask about growth in the Darwin area. I do not know if AFL has long-term projections of where they expect to get players from – I am talking locally. Has the AFL done projections to see if it should be concentrating more on Palmerston and the rural area? Is there a long-term plan that looks at where you might get more players and where you should put more effort into it?

Mr COBURN: Yes, there is. If you look at what we have done in recent times there is the move of Darwin Buffalos to Palmerston because that is where the numbers are. The traditional Buffalos family has 30% of people living in postcodes for Palmerston and beyond. That was a pretty easy – if we expand without incorporating an existing ex-TEFA club into our competition, even our third expansion is to the Palmerston area and beyond because that is where the growth and numbers are and a lot of younger people.

It is definitely on our radar, but if we are talking of a Territory-wide role we need an AFL standard oval in Alice Springs. Even though TIO Traeger is we cannot get access to it –

cancel run. There are always issues with that and the Imparja Cup is always around the time we do. We need another facility there.

Our vision is we want another long centre concept in Alice Springs and upgrade an oval at the same time. Charles Darwin University is probably the first site because it already has the accommodation. That is our long-term vision out of the Top End.

Mr WOOD: AFLNT looks at these things on a continual basis, perhaps a five-year or ten-year plan. I presume you have some kind of plan that looks at where you are going into the future and includes, as you said, moving the Buffaloes out to Palmerston.

Mr COBURN: Especially with our junior participation, we certainly have those stats on where the growth is. Surprising for me – although I suppose it should not be – is there is growth in the inner city for the kids. That is because of the way housing structures are changing in town. There is an option for a second club at Gardens Oval. If Banks was to join the premier league, it would have to feed down through the groups and that is the club closest to Palmerston that could support juniors all the way through.

Mr WOOD: There has been some discussion about Richardson Park being a fair distance away from the growth areas, but to some extent you are saying that Darwin – with the infill, I presume – has an increased population closer to the CBD.

Mr COBURN: Yes. With so many schools like St Mary's and Larrakeyah School being in town, basically that is where the kids will be coming from.

Mr WOOD: If St Mary's had not stayed there would not be any school in town.

Mr COBURN: That is right.

Madam CHAIR: The intent of this inquiry is to look at the decision made to fund Richardson Park with \$20m for an upgrade. This committee is interested and, from what we have read and heard, there was a lot of planning put into moving NRL to Marrara to co-locate with AFL and other sports. Were you involved in the discussion and planning around that?

Mr COBURN: No, we were not.

Madam CHAIR: My understanding was most of the football sports were involved in discussions.

Mr COBURN: It has never been discussed at a board level. It may have been discussed with our previous CEO, but not the board.

Madam CHAIR: Thank you. That seems to be the end of questions for you, so thank you for coming in. We greatly appreciate your time and effort. Thank you.

Mr COBURN: Not a problem. Thank you very much.

Madam CHAIR: We will have a 10 minute break and reconvene at 3 pm.

The committee suspended.

TOUCH NT

Madam CHAIR: I welcome to the table to give evidence to the committee Mr Michael Fleming, NT States Operations Advisory Panel Chair, and Ms Isobel Appo, Business Development Manager of Touch NT.

Thank you for coming before the committee. We appreciate you taking time to speak to the committee and look forward to hearing from you today. This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply.

This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If at any time during the hearing you are concerned that what you will say should not be made public you may ask the committee to go into a closed session and take your evidence in private.

Mr Fleming and Ms Appo, could you please each state your full name and the capacity in which you are appearing. You are welcome to make an opening statement.

Mr FLEMING: Michael Jonathan Fleming. I am chair of Touch Football NT. I have been on the state advisory board for the last almost three years. I have played touch football since I was 15, and have pretty much represented the Northern Territory in every capacity along the line – state representative, coach and now on the board. I have had a fairly long history.

Ms APPO: Isobel Appo, Business Development Manager for Touch Football NT. I have been employed with the organisation for many years.

Ms FYLES: Was Touch Football Northern Territory consulted prior to the announcement that Richardson Park would be redeveloped?

Mr FLEMING: Not prior. We were notified of the initial meeting after the announcement that was made public, and both Isobel and I attended the initial meeting at Richardson Park.

Ms FYLES: Do you remember approximately when that initial meeting was?

Ms APPO: It was 10 June.

Ms FYLES: That was the first contact you had?

Ms APPO: Before it was announced in the media, no, we had not had any contact.

Ms FYLES: At the 10 June meeting, you were invited as stakeholders or just ...

Mr FLEMING: We were part of the rectangle sports group that was invited to attend that meeting to discuss the concept plans and...

Ms FYLES: Was that the briefing with Football Federation NT and rugby union?

Mr FLEMING: Yes, and NTRL.

Ms FYLES: Does Touch NT have a view on the relative merits of upgrading facilities at Richardson Park or Marrara? If you do not feel comfortable answering, please let me know.

Mr FLEMING: Any government that spends \$20m on a sporting facility is great for sport in the Northern Territory. I think it is important that money is spent in the right area. The original concept of the Richardson Park plan with only one field and no office facilities would not be beneficial to Touch NT in any way, shape or form. Since the announcement of a second field, it potentially becomes more useable for us. My personal view is that a move to Marrara would be beneficial. As a NT resident and knowing the Ludmilla area I think there are some inherent issues with going ahead with the development in that area.

With two rugby league fields, which equate to four touch football fields, it becomes useable for us, especially if there is office space there for us also.

Ms FYLES: How many fields does Touch NT require to run a national junior competition or some type of national competition in the Territory?

Mr FLEMING: We ran the Australian national championships in Darwin in 1991, with six fields at the Turf Club.

Ms FYLES: For state or territory championships, how many fields do you require?

Mr FLEMING: We use the six fields at the Turf Club.

Ms APPO: Sometimes it is only four that we use, but we are able to utilise six.

Mr FLEMING: The four fields would become a useable facility for us. We would have to make some alterations to timing and scheduling, but it would be useable.

Ms MANISON: Would Touch NT see itself relocating from the Turf Club to Richardson Park with the changes, or would you see potential for expansion of competition? With your long-term planning and the Richardson Park element thrown in, where do you see the future of Touch NT in Darwin?

Mr FLEMING: Currently we do not have security in where we lie; there is no lease agreement for us to be in the middle of the Turf Club. We have been in negotiation with the Turf Club for pretty much the majority of the time we have been there, to try to get some sort of lease or at least a memorandum of understanding signed with the Turf Club to provide us with security.

The NT government, over the years, has put a fair bit of money into the lighting, the facilities and the development of the infield at the Turf Club for us to realistically to have no real security in that space. If the Turf Club wanted to move us out tomorrow there would be nothing to stop them.

It makes it difficult for us to want to spend any real amount of money on developing that space with no real security in the area. Over the last two to five years we have ramped up trying to get an agreement signed with the Turf Club. In fact, Isobel was at a meeting this morning with the Turf Club to try to arrange for that to occur.

Once we get some more security over the space, then our long-term plan, I imagine, would be to stay in that area. Currently because we do not have security in that space we have to look at a Plan B. The Richardson Park facility would provide a Plan B solution to us, but it would not be ideal ...

Ms FYLES: Sorry. How many nights is touch football played in Darwin? Is it once a week ...

Ms APPO: Three.

Ms FYLES: Three nights a week.

Ms APPO: Yes, three nights a week.

Ms FYLES: And what timing is that?

Ms APPO: From 6 pm to 8.30 pm on Monday night, 6 pm to about 7.50 pm on Wednesday night and on Thursday we go from 6 pm until 9.20 pm.

Ms FYLES: And that is using the lights at the race course? We are looking at the broader impacts of the government's plans to redevelop Richardson Park and the monetary expenditure, but we have to look at all the aspects. There are a lot of ifs there ...

Mr FLEMING: Is that in our time slot or is that ...

Ms APPO: No, 9.20 pm finish.

Ms MANISON: And that is running six fields, is it?

Ms APPO: Yes.

Ms FYLES: Okay, so there would be four, so that could potentially be longer?

Ms APPO: Yes.

Mr WOOD: How many fields do you have at the moment?

Mr FLEMING: We have six.

Mr WOOD: You would be two short still if you used Richardson Park?

Mr FLEMING: Yes.

Mr WOOD: When is your main season? The Wet or Dry or all year?

Mr FLEMING: All year.

Ms APPO: We follow school semesters pretty much. We go from February to June and then pick up again after the Darwin Cup in say August and finish in December.

Mr WOOD: You are normally night time?

Mr FLEMING: Yes.

Ms APPO: We have our titles during the day and some of them at night, but mostly it is night time.

Mr WOOD: I presume one of the advantages – AFL said they can use that ground for the nines at night, which is a move to get away from ...

Ms APPO: They are using our fields at the moment for their nines.

Mr WOOD: There is a concern about – as I know running around in the middle of the day – to get more facilities for night time sport.

Mr FLEMING: Yes.

Ms APPO: Yes.

Madam CHAIR: This inquiry is really focusing on the decision to fund the \$20m into Richardson Park. Originally, from what we can glean, the NRL was to move to Marrara. Did you have any involvement in that? Does the decision to not fund Marrara but fund Richardson Park affect you in any way?

Ms APPO: No, we were not involved in that. I heard about it but we were not involved.

Mr FLEMING: We heard rumours from NRL that there were negotiations to move to Marrara and the next we heard was the announcement of the \$20m for Richardson Park. The effect on us, short term or long term - currently, as I just mentioned, it would be a part B scenario for us. Our strategic planning at the moment is based around getting an agreement signed with the turf club regarding our use there and to allow us to have more control over our own destiny. There are a few things we would like to develop in the infield if we could get that security. We would like to have toilet facilities, probably some better seating for our spectators and playgrounds and stuff for our kids to keep them away from the track and all those things.

That would be our number one priority. Without getting an agreement signed with the turf club or us having any long-term future at the turf club then we have to look at whatever options are available to us.

The current proposal for Richardson Park includes office space and we will probably be involved with the NRL in having office space in that facility.

Madam CHAIR: The multi-purpose function – what they are planning for Richardson Park includes you? You have been told that will include you – touch football?

Mr FLEMING: Yes.

Madam CHAIR: The assumption is you will use that facility as a ...

Ms APPO: I do not think for any sole use, just for special tournaments and things like that. Not on a weekly basis at the moment.

Madam CHAIR: Do you pay to use the Turf Club?

Ms APPO: No.

Mr FLEMING: Not leasing fees; we pay electricity and water, and those bills are quite large, especially the water bill.

Ms APPO: And maintenance costs.

Mr FLEMING: The assets at the Turf Club are 30 years old, so there is a great deal of upkeep and maintenance on the irrigation system as well as the electricity system. We have made major repairs to the lighting over the last five to 10 years.

Madam CHAIR: How do you cover those costs?

Mr FLEMING: We receive generous grants from the Northern Territory government and we get money through Touch Football Australia.

Ms APPO: Through membership fees and things like that.

Ms FYLES: If you could secure the lease with the Turf Club, would that be your ideal home for touch football in the NT.

Ms APPO: On a weekly basis, yes.

Ms MANISON: If you had to resort to plan B, and that required a move to Richardson Park – you are currently running six fields for competitions; if you have to move to four how would that impact your competitions, having two less fields involved? Would it be an extra night game?

Ms APPO: It may be an extra night or extra time slot at night.

Mr WOOD: Do you include training? Or do you play so many games during the week you count that as training?

Ms APPO: Some teams train and they usually use city council ovals for that. Our rep sides train, and they use the touch fields or council fields.

Mr WOOD: If Richardson Park goes ahead would it be the home of one of the clubs? They say it will be a multipurpose facility, but my feeling is it will get some use from some, but the major use will be rugby league by a fair way. If another club decides it would be a good home ground, the problem you then have, if you want to use it, is that club would want to train on it. With ours it is Wednesdays for juniors and seniors on Tuesdays and Thursdays.

I do not know whether some of those things have been thought through properly. It concerns me, and again it is not for me to decide whether it is a good place or not. I have trouble with the logic; the argument is it can be used by other sporting groups. I understand that but sporting groups were not told before the decision was made and that worries me. It is like after the event, 'These are the reasons why we should do it'.

We are looking at due diligence here. I wonder what due diligence took place in this case. Anyway, it is more a statement than a question.

Mr FLEMING: If a club was to be given that facility to run their training sessions that would severely limit our ability to use that facility to play. It would not stop us having the ability to house our office there, obviously. Currently we share offices with the NT NRL, which has only been a fairly recent change. Touch Football Australia and the NRL have a strategic alliance at a national level.

Madam CHAIR: Does anyone have any more questions? Thank you very much Michael Fleming and Isobel Appo for coming along this afternoon and answering our questions. We appreciate it, thank you.

Mr FLEMING: No worries. Thanks for the opportunity.

Ms APPO: Thank you.

The committee suspended

DEPARTMENT of INFRASTRUCTURE

Madam CHAIR: I welcome to the table to give evidence to the committee Mr David McHugh, Chief Executive Officer of the Department of Infrastructure, and Mr Brett Brogan, Executive Director Building Services, Department of Infrastructure. Thanks for coming in this afternoon to address the committee. We appreciate you taking the time to speak us and we look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If at any time during the hearing you are concerned that what you will say should not be made public you may ask the committee to go into a closed session and take your evidence in private.

Mr McHugh and Mr Brogan, could you please state your full name and the capacity in which you are appearing? Mr McHugh, would you like to make an opening statement?

Mr McHUGH: Yes, Madam Chair. My name is David McHugh, Chief Executive of the Department of Infrastructure.

Mr BROGAN: My name is Brett Brogan and I am Executive Director Building Services, Department of Infrastructure.

Mr McHUGH: I would like to make an opening statement. I would like to explain the Department of Infrastructure's role as a lead provider of public infrastructure across the Northern Territory government. The department manages and delivers infrastructure projects across capital works, minor works and ongoing repairs and maintenance for client department. We also provide technical advice and expertise to allow client departments to forward plan their infrastructure programs.

Our specific role in this project included developing estimates, providing technical advice, engaging with clients and design consultants, and we will now manage the design and construct contract after assessment of tenders and award of the contract. That is where we are at the moment.

In relation to the terms of reference of the inquiry, if I can address a couple of the matters - the original budget allocation for new facilities at Marrara, the Department of Infrastructure was not aware of any budget allocations for the Marrara site. But following receipt of advice from the Department of Sport and Recreation, my department provided technical advice in preparation of the business case for a rectangular stadium development at Marrara sporting complex to be considered by Budget Cabinet in the development of the 2015-16 capital works program. The decision to spend \$20m to upgrade Richardson Park was made by Cabinet and the department is not privy to the deliberations of Cabinet. Budget Cabinet does not necessarily approve all submissions and makes a determination to meet the overall budget context.

What were the original plans for rugby league at Marrara? DOI had prepared some options for the Department of Sport and Recreation to consider with other sporting groups. Initially, we were requested to assess the complex as a very basic facility accommodating 5000 seats. This was at Marrara and was estimated at \$25m. We were then asked to prepare an estimate. Very basic again for 12 000 seats and we prepared an estimate of \$45m. This was based at Marrara. Then they came back to us and talked about their requirements to host national sporting events and other functions at the facility and they still wanted 12 000 seats in that facility. DIO undertook a benchmarking exercise of actual construction costs of stadiums built in Australia and internationally. We determined that the average costs per seat to meet all those needs was around \$8333 a seat which gave us an estimate of \$100m and that was in the business case put forward by the Department of Sport and Recreation in their submission to Cabinet as part of the capitals works program.

Why was there a change to the Richardson Park location and who made that decision? As far as we are concerned that was part of Cabinet deliberations and we were not party to any of that. Who else had a say to the change to the Richardson Park decision? As far as I know, Cabinet ministers. What due diligence occurred before the decision was made? DIO can only comment on the diligence it undertakes in providing estimates for all design and specific facilities client departments request. In this instance estimates were based on an order of cost as Dol was working on very preliminary design concepts at that point.

That is my statement and I am open to any questions anybody wants to ask.

Madam CHAIR: Thanks, Mr McHugh.

Ms FYLES: Thank you for that information. When was Dol first asked to prepare costs for Richardson Park?

Mr McHUGH: I think it was April 2015.

Ms FYLES: April 2015 you were asked to prepare the costs for Richardson Park. What are those costs you were able to provide?

Mr McHUGH: I think our estimate is \$22m.

Ms FYLES: What does that \$22m include?

Mr McHUGH: It includes upgrading the facilities, providing some low-level stands around the existing Richardson Park oval and providing a second oval beside Richardson Park.

Ms FYLES: That is all it includes?

Mr McHUGH: Yes, and minimal car parking – refurbishing the existing car parking but no significant increase in car parking facilities.

Ms FYLES: Does that include turf for the ground?

Mr McHUGH: It includes upgrading both ovals, yes.

Ms FYLES: And lights?

Mr McHUGH: And lights.

Ms FYLES: And sound, I am assuming?

Mr McHUGH: Oh, yes, there would be whatever is required, yes.

Ms MANISON: More broadly, that \$22m you are talking about for the Richardson Park upgrade is specifically for the stadium; it does not go beyond issues outside of the stadium boundaries? For example, any road upgrades?

Mr McHUGH: No road upgrades. The roads existing belong to Darwin City council.

Ms MANISON: So it would be based on purely the roads as is, right now, into Richardson Park?

Mr McHUGH: Exactly. The other issue you need to be aware of is as well as us providing estimates, we have also commissioned consultants to undertake traffic studies and engineering services studies of the facilities that are there.

Ms MANISON: That is in addition to the \$22m estimate?

Mr McHUGH: No, this is just so we properly understand the impact of developing on that site. We will not have the final outcome of those consultant reports until probably the end of next week. Would that be correct? Yes.

Ms MANISON: Thank you.

Ms FYLES: That \$22m does not include any works that would need to be taken on the Ludmilla school site, apart from building the second field?

Mr McHUGH: No, that is correct.

Madam CHAIR: Did the consultancy fees for the traffic and engineering studies – was that included in the \$22m?

Mr McHUGH: No, that is part of the appropriation that we have.

Ms FYLES: How did you get the \$22m figure?

Mr McHUGH: We have internal quantity surveyors.

Ms FYLES: Did Cabinet come to you with a list of requirements which you costed?

Mr McHUGH: No, they told us there was a \$20m budget for Richardson Park and said what they wanted. We have costed that and put it out to tender.

Ms FYLES: Was the original request based on one or two ovals?

Mr McHUGH: Initially the advice we had from sport and rec was to upgrade one oval, but then in negotiations with the various sporting bodies they indicated they would like two ovals.

Ms MANISON: When did it move from being a one oval development to a two oval development?

Mr McHUGH: The exact timing I could not tell you, but it would be September.

Ms FYLES: How many seats will \$22m provide?

Mr McHUGH: With temporary seating, about 10 700.

Ms FYLES: Do you know the breakdown of permanent seating in the grandstand versus temporary?

Mr McHUGH: Yes, I do. I just need to refer to a document that is all. I cannot pull it off the top of my head. Permanent seating is 3850 and temporary seating of 5500, 1000 standing and 100 in corporate boxes and 200 for the function room. That gives us a total of 10 700.

Ms FYLES: When you originally started you were looking at Warren Park and putting in 5000 seats for \$25m. Did that include 5000 permanent seats?

Mr McHUGH: Yes, but it was fairly low-level stuff.

Ms FYLES: So 5000 seats at Warren Park was \$25m and 12 000 seats at Warren Park was \$45m but for \$22m we are only getting 3000 permanent seats?

Mr McHUGH: Yes, or close to 4000.

Ms FYLES: The figure of \$8300 per seat times the 10 000-odd obviously ends up at close to \$90m. I am trying to make the figures; we are looking at the expenditure of ...

Mr McHUGH: We are looking at two different things. With the one we looked at, which was \$8300 per seat, we were considering the \$300m project that would be built in Townsville with #0 000 seating. It was that quality of grandstand.

Ms FYLES: That is significantly different.

Ms MANISON: With regard to the site, going onto the Ludmilla School site and at the old Namarluk School – the school of languages site – it is known that the land has some constraints. It can be subject to flooding at times. Has the Department of Infrastructure done much assessment or work around that in regard to planning?

Mr McHUGH: The flooding exercise in the Narrows, that section of Bagot Road, the school and Ludmilla Creek, is being addressed through the departments of Lands and Defence, with storm detention basins being developed in the RAAF base. To alleviate the flooding, you need to reduce the peak in runoff. Most of the runoff comes from the RAAF base and that causes all the localised flooding in and around the Narrows, across Bagot Road and through the school ground. That work is being undertaken by consultants jointly, between the departments of Lands and Defence.

That would be funded out of the flood funding identified for Darwin to fix that problem, which is separate to this development.

Ms MANISON: With the current site, have you identified any land constraints with flooding issues?

Mr McHUGH: Not at this point, no.

Ms MANISON: So, the \$22m does not include any allowances in case there were any identified constraints with the land in regard to flooding that could impact it.

Mr McHUGH: It does not change the existing arrangements. To my mind, there may have been some localised flooding through the school ground, but I do not think it ever got down to there. I do not recall anyone saying Richardson Park oval has ever been flooded.

Ms MANISON: Thank you.

Ms FYLES: To jump back, you said you became aware in April this year when you were asked to cost the Richardson Park stadium?

Mr McHUGH: We were told it was on the capital works program at \$20m so we sat down with Sport and Recreation and tried to work out what we could do at Richardson Park.

Ms FYLES: But that was in April?

Mr McHUGH: Yes. It was after, yes.

Ms FYLES: So it would have been at the same time Sport and Rec were notified of the decision?

Mr McHUGH: Yes.

Ms MANISON: The bulk of the work on Richardson Park, from the Department of Infrastructure perspective, started after you were given direction from Cabinet?

Mr McHUGH: Yes, that is correct.

Ms MANISON: Thank you.

Ms FYLES: So from your point of view there was no feasibility study or consultation before the \$20m was allocated with your department?

Mr McHUGH: Not in relation to Richardson Park.

Ms FYLES: Sorry, in relation to Richardson Park.

Mr McHUGH: No.

Mr WOOD: We heard from Treasury that there was a business case done for the \$20m based on figures from 2009 plans for Richardson Park that were done by a consultant. You were not involved in the business case?

Mr McHUGH: Not that business case, no.

Mr WOOD: Right. A couple of other questions. You have been given \$20m and you obviously had to work out what you could do with it. Did you go back to government or did you list what you could not do? In other words ...

Mr McHUGH: We have had an internal quantity surveyor who is skilled in this area to do an estimate of the scope of work. We believe the tender that is out at the moment will get competitive bids and it will be around that amount.

Mr WOOD: Yes. But I am wondering if your \$20m has limitations. What does it limit? We know the car park ...

Mr McHUGH: I do not want to go into that in detail at this point in time because it is a design and construct tender and different contractors will come back with different options of how they can design and construct it. Everyone knows what is in the budget so no doubt they will come back with what they feel is appropriate.

Mr WOOD: When you are doing your work, do you take into consideration that this is an upgrade of an existing facility?

Mr McHUGH: Yes.

Mr WOOD: Do you look at the environmental and social impacts that upgrade could bring?

Mr McHUGH: Yes.

Mr WOOD: Was there an – not saying a full EIS – environmental report and a community impact report done?

Mr McHUGH: No, that has not been done at this point in time.

Ms FYLES: Will there need to be?

Mr McHUGH: I think there will be obviously engagement with the community and all the stakeholders about the development. The project is proposing to refurbish the Richardson Park grandstand and provide other things so we will have to go to the Development Consent

Authority for approval and we will have to get building approval for that project to proceed. All those processes will have to be undertaken as part of the normal development process.

Mr WOOD: Your understanding would be you would need planning approval for both sites because one is open recreation and the other is community purpose. Both commercial and sport and recreation use of that land is discretionary, and if you are expanding on what is already there would it be reasonable to say you would require planning approval before any work occurred?

Mr McHUGH: I am not sure to be honest, but we definitely have to get Development Consent Authority approval and we definitely have to get building approval.

Mr WOOD: Did I say rezoning? Sorry, I meant Development Consent Authority approval.

Mr McHUGH: Yes, we have to go through that process. That would then address a lot of the other issues of community engagement, traffic management and all those matters.

Mr WOOD: We visited the site and the work that is being done on the north side of the facility - in one of the old plans I have that was all car park. Is that work part of the \$20m?

Mr McHUGH: No, that is the department of Lands removing material for the opening up of Ludmilla drain. It has nothing to do with this project even though they are dumping material and will probably put select fill on top of it and make use of it but it is not – that is a separate project altogether.

Mr WOOD: This is a little out of the blue because we only received these documents today. This is a Lands, Planning and Environment document but it is a plan that was shown as a possibility. Have you see that plan before?

Madam CHAIR: Gerry, these documents are confidential.

Mr WOOD: I did not know that because we were just given them.

Were alternative plans shown?

Mr McHUGH: No. We have been operating on the basis that the existing footprint available for Richardson Park is the area we are working in.

Mr WOOD: Regardless of whether they are confidential or not, I know there have been discussions and I have spoken to people involved in rugby league about the possibility of a road going through Nemarluk Drive. Has that been looked at in your plans?

Mr McHUGH: Not as part of this project at all, you would have to talk to the department of Lands about the land development arrangement. That has nothing to do with us.

Mr WOOD: There was talk about a bus interchange; was that any part of your requirements to look at? On Bagot Road I assume they were looking to reduce ...

Mr McHUGH: As part of the traffic management study being undertaken at the moment, we asked them to look at a drop-off and pick-up on Bagot Road for major events, and providing a walkway through to Richardson Park. That is part of traffic management for major events.

Mr WOOD: I am not an expert in these areas, but \$20m has been identified as the spend. What concerns me is it could be much more than \$20m. If there is an upgrade to a bus interchange or a new walkway put in, you may know it is Darwin city council's road, so there may be a requirement through the Development Consent Authority to upgrade that road as part of the DCA's conditions. There may be other things as well.

Do you have any indication of whether this will cost much more overall to complete?

Mr McHUGH: Not at this point; not until tenders close.

Mr WOOD: Okay.

Ms MANISON: The Department of Infrastructure is the agency managing the government's building projects and you do many big jobs.

Mr McHUGH: That is correct, and yes we do.

Ms MANISON: You have many experts in your agency who build, design and deliver major infrastructure projects – new and upgrades.

Part of the terms of reference the PAC is looking at is to ensure due diligence was followed in this process of allocating \$20m to the Richardson Park upgrade. I am keen to

hear if it is usual practice for the lead agency delivering infrastructure to go to a budget Cabinet process with advice, costing and options for a project, and then get direction from government to deliver a project at a completely different location with a completely different concept, with no formal advice sent into Cabinet for that. Is that usual process and due diligence you see in government process through Budget Cabinet?

Mr McHUGH: In most instances that does not occur, but it has occurred in the past and will probably occur in the future on various projects. We are not party to Cabinet deliberations and I cannot comment on them. But we provide the advice in estimates and technical expertise. Decisions are made by governments of all persuasions about what should or should not be in budgets.

Ms MANISON: Thank you.

Madam CHAIR: I have a question about the planned time frame for the project. The government has been fairly public and open about the fact that it wants to have the stadium ready for the Eels game in August next year. Is that a reasonable time frame, do you think?

Mr McHUGH: It is for a design and construction activity, but we have to go through all the normal Development Consent Authority and building approvals and things like that. If there are other things that occur as a result of that, that could delay that ...

Madam CHAIR: It will be tight.

Mr McHUGH: It will be tight but it is a design and construct contract so they can proceed with the design documentation without digging something up, or certain components can be approved pending other works being done. So it is possible but it will be very tight.

Madam CHAIR: At the moment, presumably there is parking for the 1500 seats that currently exist at Richardson Park. We are going from 1500 to 10 700 seats. That is a huge increase in the demand for parking for what exists at the moment. That will cost a lot of money?

Mr McHUGH: There have been games there – if you talk to rugby league people they claim there has been 12 000 people there. I have been to a couple of games where there has probably been 8000 or 9000 in the past ...

Madam CHAIR: Oh, okay.

Mr McHUGH: ... but they park all over the place.

Madam CHAIR: Right.

Mr McHUGH: But there is parking available at the racecourse. Obviously, if you are holding a major game like that – what we want to tease out of the transport study we have commissioned is what the best options are when you are having major games, where you can place people and who we have to deal with. Public transport is obviously a big player.

Ms FYLES: Does the transport study take into consideration, with the second oval being proposed, there will be significant changes to Ludmilla Primary School and that may take out some of the oval? When I have been to rugby league you park at Ludmilla school/Nemarluk School oval, but with the playground area being used for the second field Ludmilla school is now – there is talk it will – redesign and accommodate part of its oval it will need for space. Does that transport study incorporate those changes?

Mr McHUGH: No, there is a master planning exercise happening for Ludmilla school which is being coordinated through the Department of Education. That will obviously impact on what we are proposing here. We are suggesting that is a 20 sliver off the school ground and not a significant component. There has been a suggestion that the oval be operated by the school during school time and then operated by rugby league during a game.

Ms FYLES: In regard to lighting, what barriers will be put up to protect residents from quite significant light changes?

Mr McHUGH: The new LED lighting that is now available – you can direct it better than the lights currently at the Marrara Aussie rules ground. That technology at Marrara is in desperate need of upgrade, but the new technology here would better direct the lighting and have less impact on light spread.

Ms FYLES: The DCA and the environmental impact assessments would take into consideration light one would assume?

Mr McHUGH: Yes.

Ms FYLES: The noise?

Mr McHUGH: Noise is noise and we cannot change that.

Ms FYLES: Obviously there are quite high salinity levels in that area, and there is talk that there is a spring and rugby league games have had to be postponed, and way back they shifted a season to another venue. Have those things been taken into consideration by the department in tendering out this project? I guess we do not want to get half way there and have continuing soil and grass issues.

Mr McHUGH: As I said earlier, we have undertaken transport and an engineering services studies at the site and part of that is drainage. The main oval and new one would have to be upgraded and underground drainage associated with that would be put in place to make sure that any springs or rising of the water table during the wet season would drain away. That is being assessed and is part and parcel of the whole project – it has to be.

Ms FYLES: But if there are costs involved -

Mr McHUGH: There will be costs involved but that is part of our costing. We have allowed for that.

Ms MANISON: Just some questions with regards to some of the options you are looking at with potentially moving to Marrara. You said in your opening statement that you had looked at potential options of 5000 seats at \$25m and 12 000 seats at \$45m. Is that correct?

Mr McHUGH: Yes.

Ms MANISON: And they were both based on permanent seating arrangements - 5000 and 12 000 permanent seats or was that a mix of permanent and temporary seating?

Mr McHUGH: As far as I know, it was for permanent seating. But a mix for the 12 000.

Ms MANISON: So the 12 000 was a mix. Were there any options explored about the potential to deliver a staged type option? Given that you get limited pots of money at one time – or was it thought to do it at once based on the 5000 or the 12 000 seat option?

Mr McHUGH: We provided the advice that was requested from the client. We do not direct them as to what option they should consider. The one that went to budget cabinet was the one that was the \$100m touch.

Ms MANISON: So they did not get advice about the \$25m or the \$45m estimates of potential options?

Mr McHUGH: That was not part of the business case that went to Cabinet.

Ms MANISON: So the \$25m and \$45m options you said were the more basic options. What were the differences between them? You have a 5000 permanent seat option where you can bring temporary seats in and you are saying that is not based on the temporary seating by the look of it, that is just based on 5000 permanent seats and it is a \$25m option. If you were to bring in some temporary seats as well, what would that potential number have been – above \$25m? I am keen to find out what the difference is between the \$25m option costed here with 5000 permanent seats and the potential to bring in some temporary seats versus the \$100m option that went to Cabinet. What are the main points of difference?

Mr McHUGH: The \$100m option was all bells and whistles and everything in it and was a fully enclosed stadium and ...

Ms MANISON: So fully enclosed?

Mr McHUGH: Well, it had a roof over it. But it was a high standard stadium and it had all sorts of car parking and facilities along with it. It was not just some steps in concrete with some timber slats on it.

Ms MANISON: Okay. I am trying to get my head around it because if I am to look at Richardson Park now, we have some steps, some concrete, some seating and we will upgrade the ovals, build a second oval, improve the facilities and add in temporary seating. Looking at this estimate of potentially 5000 seat stadium at \$25m, it sounds as if much the same could have been achieved at Marrara. However, it would not have been the whiz bang huge stadiums with rooves and lights. But it sounds like a very similar model to what we see at Richardson Park at the moment.

Mr McHUGH: Yes, but the advantage of Richardson Park is that we can refurbish the existing stand, which we not have had at Marrara.

Ms MANISON: Okay. We have seen in the government's submission a referral to where they pulled the \$20m figure from. It was based on a previous estimation in a study rugby league had conducted on costs to upgrade Richardson Park from many years ago. They have just added a bit of cost escalation to that. Did you provide any advice about that cost, or that was – the \$20m number is what I am trying to pluck out. It is clear that government was

given advice and submissions and then delivered a totally different decision back to the government agencies and said, 'Go off and do this' and used the figure of \$20m.

Had the Department of Infrastructure previously provided any advice to the government about this previous report?

Mr McHUGH: No.

Ms MANISON: Thank you.

Ms FYLES: What are the estimated recurrent costs of maintaining an upgraded Richardson Park?

Mr McHUGH: We have not done any estimates in relation to that at this point.

Ms FYLES: Do you have anything to do with maintaining the infrastructure of TIO stadium?

Mr McHUGH: We undertake maintenance when requested to by the Department of Sport and Recreation, but they manage and run the facility.

Ms FYLES: Is it likewise for the athletics track and the indoor stadium if sport and rec request infrastructure ...

Mr McHUGH: If they request us to undertake certain work we organise contractors to go in and do it. We do not manage the asset per se, and ...

Mr WOOD: Were you part of any proposal to look at – from a broader perspective of where rugby league should go? We are spending \$20m on Richardson Park, should it have gone to Palmerston, which has new facilities? Was there any discussion about – without getting sentimental about Richardson Park – where this money could be spent to get the best value and usage?

Mr McHUGH: We were not party to any of those discussions.

Mr WOOD: Have you been part of any discussions in relation to a tennis facility at Warren Park?

Ms FYLES: Tennis is at the other side of soccer.

Mr WOOD: It will not be near Warren Park?

Ms FYLES: I understand it is going between Henry Wrigley Drive and the soccer stadium.

Mr WOOD: Have you done some preliminary work on the tennis centre?

Mr BROGAN: The Department of Sport and Recreation has engaged an architect directly, as has Tennis Australia. It is where the member for Nightcliff said it will go.

Mr WOOD: One of the things with tennis is the temporary seating, which I presume – when we are doing the costing I presume the temporary seating will not just be for Richardson Park. I presume that will be a more community or general sporting asset that any sport can use. Is it fair to put the cost of temporary stands into this project because if they are not there all the time – used by tennis or a concert somewhere they can be used? I know we heard statement from Ross Coburn, but if there is a concert they might be useful there as long as there is protection for the surface.

Would that be seen as an asset for rugby league only or one you own as the Department of Infrastructure?

Mr McHUGH: We do not own any assets. We build assets for other departments.

Mr WOOD: So who would own that asset then?

Mr McHUGH: The sport and rec would be the owner. I understand their intention was it would be funded out of this project but would be funneled up and put into containers or whatever was required for tennis or soccer. It would then become available. It has to be funded out of some project.

Mr WOOD: That is right. That project does not have to live or die on whether those seats are there. As long as there is a place for seats when needed.

Ms WALKER: I am interested in the consultation done before the decision was made and since then – to allocate \$20m. Was the DoI involved in consultation before or after the decision?

Mr McHUGH: After.

Ms WALKER: And what has that involved?

Mr McHUGH: As soon as the decision was made we sat down with the Department of Sport and Recreation and started to work through what it would entail. We undertook various basic engineering studies including traffic studies. Then we got some consultants on board to develop some options of how Richardson Park stand could be redeveloped in a way that complied with the requirements of Australian rugby league - they have quite specific details to what they require for their games if you are going to run a national game.

All those issues we had to go through with sport and rec and others. That is where we got to. In the budget papers it indicates government was hoping to achieve the contract would be awarded in the first quarter. We will not get it in the first, we will get it in the second but that was the intention. We were under a fair bit of pressure to deliver it – to get it out. That is why we have gone down this design and construct method. I think that the contractors will come back with some innovative designs.

Ms WALKER: Are there plans to do further consultation down the track with with the community and other stakeholders.

Mr McHUGH: Yes, there is.

Madam CHAIR: Okay.

Mr McHUGH: There has to be.

Madam CHAIR: There has to be, yes. But at this stage, the consultation was mainly quite internal with Sport and Rec and ...

Mr McHUGH: Within government and with ...

Madam CHAIR: Private providers?

Mr McHUGH: With rugby league and other sporting bodies through Sport and Rec, basically. But they ran it.

Madam CHAIR: Okay. We will talk to them about that tomorrow.

Mr WOOD: Can I ask one question?

Madam CHAIR: Yes.

Mr WOOD: Was any work done on an upgrade of Rugby Park, the facility that has been used for grand finals? \$20m to Rugby Park for basically what is – the argument for Richardson Park is we need a facility for one or two NRL games so we have television lights and we may use it for other sports which, so far, have told us were asked after the announcement was made. I have some concerns about whether that is what this is really all about.

But basically you have a facility there which has grandstands - not necessarily the best grandstands – parking and available parking next door at Warren Park which could be opened if needed. It is the same size ground. Was any work done with asking whether we would get better value for money to achieve exactly the same purpose so we can run NRL games on that site – so we could at least compare the options for which was the better value for money? Was anything done in that area at all?

Mr McHUGH: We did look at Rugby Park in our first business case. But that was to look at the grand plan. There were some issues associated with servicing and various other matters. That is why in the submission that went forward they were looking at Warren Park or ...

Mr WOOD: Nobody said, 'Let us see where, say, \$10m would go on Rugby Park'. It does not have the issues of neighbours too close, there is a fair barrier across the road. Existing parking and the ground is already there. It would probably benefit rugby union as well because their facilities are part of the – pardon me – the crap at the back that is only the old demountable office. There would have been an opportunity to give them some benefits as well. I am interested if anyone looked at that as a possible realistic option.

Mr McHUGH: We did not.

Mr WOOD: Okay, thanks.

Madam CHAIR: Are there any other questions? Okay. Thank you very much for your time. We appreciated you answering our questions for this inquiry. Thanks Brett Brogan and David McHugh.

Mr McHUGH: Thank you.

The committee concluded
