

PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO RUGBY LEAGUE FUNDING

The Public Accounts Committee (PAC) is conducting an inquiry in relation to the funding of rugby league facilities in Darwin, particularly in regards to:

- the original budget allocation for new facilities at Marrara; and
- the decision to spend \$20 million to upgrade Richardson Park.

Chief Executives of the departments of the Chief Minister, Treasury and Finance, Sport and Recreation, Infrastructure and Education have been asked to appear before the PAC and have also been offered the opportunity to provide a submission prior to their appearance.

The departments of Treasury and Finance, Sport and Recreation, and Infrastructure have been involved in this project since the beginning of 2015. The Department of Sport and Recreation put forward the submission to Budget Cabinet, with the Department of Infrastructure's assistance in regards to cost estimates. The Department of Treasury and Finance was involved due to its role in coordinating submissions for Budget Cabinet and the provision of comments on all submissions.

The Department of the Chief Minister became involved in September 2015 when the project was handed to the Office of Major Projects Infrastructure and Investment to manage. The Department of Education has only been recently involved as plans have been developed that may have an effect on the Ludmilla Primary School.

The following is a submission on behalf of the above agencies and provides a response to the PAC terms of reference at a high level.

In late 2014, as part of the sale of the Territory Insurance Office (TIO), the Government requested submissions from Territorians to propose infrastructure projects that could be undertaken with the proceeds of the sale. One of the submissions put forward 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 proposed project was shortlisted in early 2015 for further consideration and the Department of Sport and Recreation was requested to prepare a business case in order for the project to be considered by Cabinet in the development of the 2015-16 Budget.

The business case was put forward as part of Budget Cabinet deliberations held in early March 2015 and proposed the construction of a Northern Territory Government managed rectangular stadium at the Marrara sporting complex. The specific location for the development was 105 Abala Road, Marrara, commonly known as Warren Park, for which the South Darwin Sporting League is listed as the crown Lease holder in perpetuity. The project was scoped to include:

- a playing surface capable of hosting the three sporting codes;
- a large permanent encompassing grandstand with full spectator, corporate, player, media and concession facilities, capable of seating a crowd of 12 000;
- appropriate floodlighting for televised events and video replay screen;
- engineering to enable the field and grandstand to be utilised for concerts;
- and
- car parking facilities and public transport access.

The Department of Infrastructure estimated the construction cost of the proposed project at about \$100 million, with the cost benchmarked against equivalent medium sized stadiums, such as the Metricon Stadium on the Gold Coast.

In preparing the business case, various venues were considered and discussed regarding the possible location for a dedicated purpose-built stadium.

Government's preliminary decision was to approve funding of \$42.5 million with the stadium to be scoped to fit within the revised amount. The decision did not specify a location at that time.

Subsequent to the decision further deliberations took place between relevant Ministers regarding the location of the stadium. Given Richardson Park's history and that a number of studies had previously been undertaken in regards to upgrading Richardson Park, it was concluded that it would be better value for money to upgrade Richardson Park, while still achieving the stated objectives and benefits of the original proposal.

A previous study, undertaken in 2009, had estimated that the cost of redeveloping Richardson Park would be \$10-11 million. Other factors also taken into consideration in making this decision were the lead time for construction and the resolution of land tenure of the Marrara site, given it was not owned by the government, compared to Richardson Park which was government owned.

In accordance with a Budget Cabinet decision that authorised the Treasurer to make further budget adjustments necessary to finalise the 2015-16 Budget Papers, an amended decision was made to not proceed with the original proposal put to Cabinet.

On 10 April the amended decision was approved by the Treasurer for a \$20 million project on the 2015-16 Capital Works Program for expanded facilities and seating capacity at Richardson Park, capable of hosting rugby league, rugby union and soccer. This was formally announced publicly as part of the 2015-16 Budget, was published in Budget Papers and was the subject of questioning at the 2015 Estimates Hearings.

Subsequent to the announcement, the Office of Major Projects, Infrastructure and Investment were asked to oversee the project and a steering committee was established to ensure the project is appropriately managed across government.

The above can be discussed and clarified with the relevant Chief Executives when they appear before the PAC.