

liberal sa

The State Liberals' Plan for a New Stadium at Riverside West



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A New City Stadium

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Enclosure: Baker-Steinhardt Report

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1. Foreword

Since 1974 AAMI Stadium at West Lakes has served the SANFL and South Australians well and will continue to do so for some years to come. It is now time to think about the future. It is time to adopt a new and vibrant vision for sport, for the city of Adelaide, for tourism and State development. This must be a plan for the next 30-50 years.

The State Liberals believe it's time for a world-class stadium in the city centre. Our vision for Riverside West involves a cultural and entertainment precinct that would transform the city. This must include a world-class stadium either by renewing Adelaide Oval or, if this proves untenable, by creating a new purpose built facility. Both of these options will deliver a world class stadium beside a new and exciting city pulse. Every other mainland state has created such a place. Why can't we?

The State Liberals believe Riverside West is the best location for this new stadium. It is not the best location for a city hospital. That is why our plan is to rebuild the Royal Adelaide Hospital on its current site. We can have both a new hospital and a world class stadium. It just takes leadership and determination.

Liberals always recognise the need to be fiscally responsible. That's why not a single dollar needs to be spent on construction until after the global financial crisis subsides. Construction of a new stadium must be part of our State's economic recovery plan after the down turn, with the building work between 2015 and 2018 to line up with a World Cup bid.

Former State Treasurer the Hon. Stephen Baker and former Commonwealth Games athlete Adam Steinhardt have produced a comprehensive report examining the feasibility of a new stadium at Riverside West. Stephen and Adam have prepared this comprehensive report to stimulate public debate.

I highly value their contribution to this important subject. Whilst we may not accept all of the recommendations in their report, it provides a new insight into the stadium debate. We can do this if we work together.

It is not a question of whether we should have a world class stadium; it is a question of when? This infrastructure project is important to the state's long term economic future.



Isobel Redmond
Leader of the Opposition



Terry Stephens
Shadow Minister for Sport,
Recreation and Racing

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2. Background

Since the State Liberals canvassed the idea back in February 2008, South Australians have been calling for a new 21st Century stadium to cater for growing sporting codes and to revitalise struggling sporting codes.

Football Federation Australia have supported a new stadium¹, former AFL and SANFL footballers have supported the concept² and even secret State Government reports have supported it³.

The Rann Labor Government has publically refused to endorse the concept. Instead, after the State Liberals seized the agenda, the Premier announced \$100 million over three years toward upgrading AAMI stadium⁴. This funding has since been deferred to beyond 2011-12⁵ and may never be paid.

¹ "Cornered", The Advertiser, 2 March 2009

² "Don't Dud the Fans", The Advertiser, 26 October 2008

³ "City Arena", The Advertiser, 18 February 2009

⁴ 2008-09 State Budget

⁵ 2008-09 Mid Year Budget Review

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3. Jobs and our Economic Recovery

AFL and Soccer are now big business. The SANFL is a top 100 company in SA with turnover of around \$44 million and which directly sustains over 120 jobs⁶. AFL across the nation is a business turning over \$302 million⁷. Soccer has a national and international focus and is growing.

Elite football is not only important to fans and children but is a vital part of the State economy. Opportunities for growth in intrastate and interstate tourism abound. But first class facilities on par with other states are needed for success.

A new stadium at Riverside West would rejuvenate Adelaide's West End and would stimulate investment and growth. The influx of 50,000 plus fans on a regular basis will revitalise the city and increase economic activity in the CBD. Add to this the associated improvements to the river promenade and the Riverside West complex will come to life.

The State Liberals recognise the need for fiscal responsibility in the current economic climate but South Australia needs an economic recovery plan. The construction of a stadium would create a \$1 billion stimulus to South Australia's Gross State Product (and a \$2.1 billion impact on output) and over 10,000 full time equivalent jobs (FTEs) during the construction phase⁸.

The stadium is important not only for sport and major events, but for tourism, jobs and for our economy. A new world class stadium is every bit as important as a new major road, in growing prosperity.

“There will be no need at all to spend a single dollar on construction of a world class stadium at Riverside West until 2015.”

On 16 March 2009, Football Federation Australia formally lodged its bid to host the 2018 or 2022 World Cup⁹. Therefore, a new stadium in Adelaide will not be needed until 2018 subject to this bid. A stadium build is outside the budget forward estimates period just like the present Labor Government's plans to build a \$1.7 billion rail yards hospital and to spend hundreds of millions of dollars on trams to Semaphore, West Lakes and Port Adelaide.

⁶ SANFL annual report, year ending October 2007

⁷ AFL annual report, 2008

⁸ Econsearch (2002): Regional Industry Structure and Employment (Input-Output) Model, 2002-03

⁹ “Australia submits bid for soccer World Cup”, The Advertiser, 16 March 2009

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4. The Case for Change and Renewal

AAMI Stadium West Lakes

AAMI stadium has served South Australia well for over 30 years, but we need a vision for the next 50 years. AAMI stadium does not comply and will not comply with assessment criteria for international sporting events without an extraordinary investment – we must prepare South Australia for the future.

An assessment of SA's current sporting facilities reveals that Adelaide would require a new stadium to host the Commonwealth Games, FIFA World Cup or Rugby World Cup¹⁰. With improvements continually being made to sporting venues interstate, South Australia will be left behind.

The issues facing AAMI Stadium at West Lakes are its location, accessibility, exposure to weather conditions and lack of facilities for patrons. In large part, this has caused patronage to decline in recent years. Regrettably, AAMI Stadium is now a tired piece of infrastructure and unable to attract major events on a national or international scale. Football Federation Chief Executive Officer Ben Buckley was quoted as saying *"We have not seen anything at AAMI that would give us confidence that we would have a stadium that would be seen as compliant with FIFA requirements"*¹¹.

AAMI Stadium's use is limited to AFL football – it is not suitable for major international fixtures in other codes. In recent years it has not provided strong support for the entertainment industry, being weather dependent and poorly located.

AAMI Stadium is a sporting venue which has little synergy with its surrounding area thus limiting its broader economic potential. A new stadium would drive a profound rejuvenation of both City West and the football codes.

Adelaide Oval

The AFL has recently flagged to the SANFL the prospect of relocating AFL games to Adelaide Oval and this is presently under consideration. If the AFL, SANFL, SACA and Soccer can agree on this solution it would fulfil the State Liberals vision for a world class stadium in the city and would receive our full support.

A great deal of work remains to be done to make the Adelaide Oval option viable. The Opposition is advised a further investment of \$400-500 million beyond that presently flagged by SACA and the State Government will be required. Questions also arise as to whether the city of Adelaide with a population approaching 1.2 million people can get by with only one major stadium.

If Adelaide Oval were to emerge as a viable city option, this would satisfy the State Liberals stadium vision. Furthermore, it would underpin the need for the Riverside West precinct we have proposed with its riverside cafes, restaurants, tourism precincts and car parking immediately beside Adelaide Oval and adjoined by new footbridges over the River Torrens.

If however, the Adelaide Oval option cannot be agreed upon, the alternative is a new stadium built within the Riverside West precinct.

¹⁰ Her Majesty's Treasury (2007): *Hosting the World Cup: A Feasibility Study*, England, 2007

¹¹ Ben Buckley, *Advertiser* 2 March 2009

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5. The Way Forward

While it is natural for each sport to want its own 'state-of-the-art' purpose built facility, affordability and land availability would suggest that shared facilities are more justified.

It is proposed that the stadium would incorporate AFL, SANFL finals, soccer, rugby, athletics, concerts and other entertainment events.

“We cannot develop a world class stadium in SA without cooperation and teamwork between the three levels of government, the SANFL and the other football codes. Leadership must come from the Premier and State Government.”

The Baker-Steinhardt report recommends re-configurable seating space to accommodate 55,000 patrons when the rectangular arena is in use and 50,000 for AFL and other oval sports. This capacity was deemed appropriate due to cost containment, the fit with the geographical site, agreement with FIFA regulations¹², atmosphere intimacy and the fact that cities of similar size to Adelaide have similar capacity stadia. The stadium should include a retractable roof.

The stadium should also have appropriate members and corporate facilities. To further enhance Adelaide's existing conference facilities, the stadium could offer additional capacity for conference space.

By utilising environmentally friendly design, a new stadium would align with Government's green requirements, respect the sensitivity of the site in relation to parklands and provide a benchmark for other stadia.

The success of Docklands, Suncorp Stadium and the MCG is in part due to their ease of access via public transport. A new centrally located stadium in Adelaide would provide the perfect opportunity to further integrate public transport with the CBD, encouraging use of public transport. This is supported in Chapters 2 and 5 of the Baker-Steinhardt report.

¹² Her Majesty's Treasury (2007): Hosting the World Cup: A Feasibility Study, England, 2007

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6. Financing

Chapter 7 of the Baker-Steinhardt report proposes, based on successful project builds in other states, four models to fund the new stadium:

Model 1 – Government financed through operating surpluses and borrowings

Model 2 – A joint venture involving government, the sporting codes and the private sector

Model 3 – Private sector financed

Model 4 – A Private Public Partnership (PPP)

In May 2008, the State Liberals commissioned property and construction consultants to cost a stadium at Riverside West¹³. This costing was undertaken for a stadium without retractable seating. It excluded site remediation and preparation, a retractable roof and significant underground car parking. When accounting for these differences, the costings provided in the Baker-Steinhardt report are comparable.

The Baker-Steinhardt report suggests that if traditional methods of building and financing apply, the stadium construction cost will be in the order of \$900 million with the retractable roof and \$850 million without the roof in 2009 dollars. See Table 1.

Table 1: Estimated Stadium Costs, 2008-09 prices, \$m¹⁴

Components	Open stadium	Retractable roof
Site preparation	20	20
Stadium construction	660	710
Car parking	100	100
Pre-opening & other	70	70
Total	850	900

While a PPP is a prospect, the most likely financing option for the stadium's construction is via a joint venture between the State and Federal Governments, the sporting codes/organisations and the private sector.

Any State Government investment to anchor the project would need to be matched by the Commonwealth as part of a World Cup bid or as a baseline State infrastructure investment. The sporting codes such as the SANFL, Soccer and other private partners would need to be involved in the investment as has occurred in successful builds interstate. Any State Government investment would be budgeted over the 3-4 years so as to spread the contribution across the estimates period from 2015 to 2018.

“A stadium build would not commence before 2015.”

¹³ “City Stadium for \$520 million”, Sunday Mail, 4 May 2009

¹⁴ Includes consultant's fees, financing and contingency allowances and excludes GST. The source of these costs was provided confidentially – however the Perth Stadium Feasibility Report offers indicative cost comparisons.

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In June 2008, Labor announced uncosted plans outside the estimates period for trams to Semaphore, West Lakes and Port Adelaide¹⁵. Based on the cost of the \$162 million tram to the Entertainment Centre, these investments will require taxpayers to spend approximately \$336 million¹⁶.

The State Liberals will not proceed with these projects as the routes they service are already covered by bus and rail. Instead, a State Liberal Government will enhance these bus and rail services to the West of Adelaide. Money saved by cancelling the proposed tram extensions will be available for other infrastructure investments including the new city stadium. Thus, a significant amount of money which Labor plans to mis-spend has been identified for more appropriate investment such as a city stadium. The \$336 million that Labor plans to waste on unnecessary tram extensions is well beyond any prospective State Government investment in a stadium, which would be predominantly funded by others.

A State Liberal Government will provide strong leadership in stadium negotiations, but whatever financing option is chosen, cooperation and teamwork within the sporting codes and within government will be essential.

¹⁵ See Chapter 7 of the Baker-Steinhardt report

¹⁶ See p 40 of the Baker-Steinhardt report

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7. Governance & Ownership

Ownership of the stadium would need to be resolved by the joint venture partners as part of the design and build negotiations. As a dominant stakeholder, State Government would need to ensure that governance arrangements for the stadium are fair and sustainable.

Prime control of the stadium would, in the view of the State Liberals, need to be retained by the SANFL, in partnership with Soccer. The SANFL would use the stadium through the winter and Soccer through the summer. Although respective sporting seasons may overlap, the example of Etihad Stadium at Docklands proves that reconfiguration of a stadium is not a major issue. The two codes would have a mutual interest in cooperation in using the stadium.

Depending on the level of investment, a State Liberal Government would consider the prospect of the SANFL gaining majority ownership of the stadium after 25-30 years as has occurred with the AFL's rights to Etihad Stadium at Docklands. Such an ownership change would need to provide adequately for Soccer's ongoing future as a vibrant national game with growing attendances and international participation.

The State Liberals respect that, based on a deferred promise of \$100 million from the State Government, the present position of the SANFL is to prefer an upgrade of AAMI Stadium at West Lakes although AFL encouragement toward Adelaide Oval is noted. Soccer presently resides at Hindmarsh Stadium. A State Liberal Government will put a new proposal to the SANFL, Soccer, Rugby and any other interested code in 2011 and the leadership of these codes can reconsider their position at that time.

A State Liberal Government will recognise that the future of sporting codes is in the hands of the State Governing bodies. It will be our intention to make a persuasive argument for the city stadium in partnership with the Federal Government. We note that there may be a new Federal Government and/or new ministers by that time. Our view is that sooner or later a world class stadium that combines multiple codes will be built in the city with the cooperation and support of all stakeholders. We are talking about 'when' not 'if' this infrastructure is to be built.

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8. Implementation and Timelines

In the lead up to the March 2010 election, the State Liberals will continue pre-planning for the new stadium. Community consultation will be given high priority.

A State Liberal Government will:

- *Immediate:* Cancel the rail yards hospital and redirect the project to the existing RAH site.
- *Immediate:* Consult with the SANFL, Soccer and Rugby about their future stadium requirements and in cooperation with these organisations, develop a stadium proposal.
- *By March 2011:* Complete the remediation of the city west rail yards site and finalise criteria for a world class football stadium in consultation with the federal government, football codes, stakeholders and the community.
- *By December 2011:* Put a stadium proposal to the SANFL and the other codes for a decision.
- *By 2012:* Tender out the world class football stadium project while continuing remediation and greening of the site.
- *By 2013:* Consider tenders, confirm funding arrangement with the Commonwealth, football codes, private sector and stakeholders.
- *By 2014:* Select successful tender.
- *By 2015:* Commence construction subject to a 2018 world cup bid.

The PPP contract to build the hospital at the rail-yards will not have been signed at the time of the 2010 election. Upon winning government, the State Liberals will abandon plans to build the hospital at this site (but instead will build a new hospital on the existing Royal Adelaide Hospital site).

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9. Conclusion

A Liberal State Government will be committed to a world class 55,000 seat stadium at Riverside West as part of the plan for recovery from the global financial crisis, should the SANFL, SACA and other parties be unable to agree upon an Adelaide Oval solution.

A Liberal State Government will bring together the SANFL, Soccer, Rugby, the Commonwealth, local government and the private sector with a view to determining an exact design, costing and governance model. A world class stadium can only be built with the cooperation of these parties. A Liberal State Government will aim to be very persuasive in its negotiations with the leadership of these respective bodies in the 4-5 years that follow the next State election.

The stadium will be funded with the involvement of the private sector. A Liberal Government will consider a joint venture between Federal and State Governments, the sporting codes/ organisations and private entities or a PPP. The stadium will not be built using State Government funding alone. Private sector and joint venture models used to build stadia in other states and countries will be used as a baseline for the Adelaide stadium.

Planning and tendering for the project would be carried out during the period 2010 to 2014 with construction to commence by 2015 for a 2018 World Cup.

South Australians deserve a world-class sporting stadium to attract major events such as the Commonwealth Games and the FIFA World Cup and to offer improved facilities to sporting codes and long-suffering fans. Such infrastructure is important not only for sport but for jobs and for our economic recovery.

A State Liberal Government will ensure South Australians get what they deserve.