

CABINET - SUBJECTS FOR CONSIDERATION, 03 SEPTEMBER 2001 11:00 AM

1 New Initiatives/Policy Matters

**101 MRSR011/01CS South Australian Cricket Association - Redevelopment
of Adelaide Oval
REFERRED BACK TO MINISTER
*Premier and Cabinet Minister.***

Not Relevant

161

CABINET COVER SHEET

- 1 **TITLE:** South Australian Cricket Association – Redevelopment of Adelaide Oval
- 2 **MINISTER:** Hon Iain Evans MP
Minister for Recreation, Sport and Racing
Minister for Environment and Heritage
- 3 **PURPOSE:** To provide a Government contribution to a major redevelopment of Adelaide Oval
- 4 **RESOURCES REQUIRED FOR IMPLEMENTATION:** \$14.5 million as a grant to the SA Cricket Association staged over seven years, with an initial instalment of \$500,000 in 2001-02.
- 5 **RELATIONSHIP TO GOVERNMENT POLICY:** Contributes to the maintenance of first class sports infrastructure in the State.
- 6 **CONSULTATION:** South Australian Cricket Association
Department of Treasury and Finance
Office of the Treasurer
- 7 **FAMILY IMPACT STATEMENT:** None required
- 8 **URGENCY:** Normal 6-day rule
- 9 **RECOMMENDATIONS:** It is recommended that Cabinet:
- 4.1 Approve the staged funding of a grant of \$14.5 million to the South Australian Cricket Association over seven years, with the first instalment of \$500,000 in 2001-02, towards the cost of a \$49 million redevelopment of Adelaide Oval, subject to the Association's commitment to undertake the Western Grandstand Stage 2 development.



SIGNATURE OF MINISTER: HON IAIN EVANS MP
PORTFOLIO: RECREATION, SPORT AND RACING

DATE: 23/8/01

TO: THE PREMIER FOR CABINET

RE: SOUTH AUSTRALIAN CRICKET ASSOCIATION - REDEVELOPMENT OF ADELAIDE OVAL

1 PROPOSAL

- 1.1 That Cabinet approve the staged funding of a grant of \$14.5 million to the South Australian Cricket Association, over seven years with the first instalment of \$500,000 in 2001-02, towards a \$49 million upgrade of the Adelaide Oval, subject to the Association's commitment to undertake the Western Grandstand Stage 2 development.

2 BACKGROUND

- 2.1 SACA has advised that new and upgraded sporting stadia throughout Australia is threatening the viability of Adelaide Oval as a venue for international cricket, in particular the Gabba in Brisbane, Docklands in Melbourne and Subiaco Oval, Perth. That is, without increased capacity the Australian Cricket Board will more than likely be pressed into playing the games that draw the bigger crowds in the larger venues to guarantee higher revenue returns to the sport.
- 2.2 The capacity of Adelaide Oval is currently 30,000 – well below that of Sydney, Melbourne and Brisbane and the redeveloped Subiaco Oval in Perth, which is now bidding for One Day International Cricket.
- 2.3 With the exception of the Bradman Stand and the introduction of arena lighting, there has been no development at Adelaide Oval of any significance since the 1920s. Public facilities are below the standard expected at major sporting venues in the 21st century. The majority of public viewing areas are not under cover. Public seating on the eastern side of the Oval is in a temporary grandstand supported by shipping containers.

3 DISCUSSION

- 3.1 The Cricket Association has enlisted the services of Hassell Architects and Connell Wagner Engineers to develop a master plan for Adelaide Oval.
- 3.2 SACA initially prepared designs to create new grandstand facilities on the eastern side of the Oval, which contemplated moving the Oval's eastern boundary some 17 metres, enclosing an area of Victor Richardson Road, Creswell Gardens and Pennington Gardens, and demolishing the eastern gatehouse. This proposal would have allowed the creation of a further 6000 undercover seats for the general public.
- 3.3 In addition, SACA proposed substantial redevelopment of the western grandstands with the addition of two extra tiers of seating and enhanced dining facilities for members. This created a further 8000 places.
- 3.4 The estimated cost of the project was:
- Eastern Grandstand and SE and NE mound development - \$11 million
 - Western Grandstands - \$33 million

- 3.5 SACA initially requested funding assistance from the State Government of \$11 million, staged over seven years, with \$500,000 as the first instalment in 2001-02.
- 3.6 Following consultation with the State Government and the Adelaide City Council, SACA was advised of concerns that the development increased the "footprint" on the Adelaide Parklands. Cabinet requested SACA to redesign the development without increasing the current "footprint" on the Parklands. A recent Conservation Plan for Adelaide Oval has also recommended Local Heritage listing for the Eastern Gatehouse.
- 3.7 As a consequence, the Cricket Association has redesigned its proposal for the eastern side of the Oval, restricting development to the same size "footprint" and retaining the Eastern Gatehouse.
- 3.8 This has resulted in an increase in the cost of the project. The existing grandstand, which was to have been reused, will now not fit in the redesigned concept and will have to be replaced by a new, reinforced concrete cantilevered structure which is more expensive.
- 3.9 The development of the eastern side of Adelaide Oval is now estimated to result in the creation of 5000 covered seats for public patrons, and lawn and tree plantings near the perimeter fence will be undertaken as new storage bunkers under the mounds free up space.
- 3.10 Estimated project costs provided by Hassell Architects and Rider Hunt Quantity Surveyors are now as follows:
- Stage 1: Eastern Grandstand and SE and NE mound development - \$14.475 million;
 - Stage 2: Western Grandstand development (*to be funded by SACA*) - \$34.7 million.
- 3.11 The projected timetable is as follows:
- August, 2001 – lodgement of development application with Adelaide City Council;
October, 2001 – call for tenders Stage 1, Eastern Grandstand and SE mound;
January, 2002 – contracts let;
February, 2002 – construction commences;
October, 2002 – Stage 1 complete;
October 2002 – call for tenders Stage 2, Western Grandstand redevelopment;
January, 2003 – contracts let;
February 2003 – construction commences;
July, 2004 – Stage 2 complete.
- 3.12 SACA's submission to Government now requests a grant of \$14.5 million, staged over seven years, with the first instalment of \$500,000 in 2001-02. (*See letter and graph-Attachments 1 and 2*)
- 3.13 Redevelop the Western Grandstand to bring facilities to a contemporary standard. This would involve remodelling the existing single tiered stand as a three-tiered stand thereby increasing the seating capacity by some 5000 – 6000. Included would be substantially improved spectator facilities and concessions.

There would also be a new dining room capable of seating in excess of 800 people – which would be a significant addition to this kind of facilities in Adelaide and important for the conference trade.

- 3.14 A range of other improvements recently completed or underway, including:
- Upgrading of the indoor cricket centre at a cost of about \$0.25 million.
 - New fixed lighting towers (these are have been installed by the original lighting contractors at no cost to the Association although the original debt will remain).
 - A permanent electronic replay screen.
 - In the longer term a new centre for the Association's administration with the present facility being taken over for other purposes such as the museum.
- 3.15 The redevelopment of Adelaide Oval as envisioned by the Association will make the venue even more attractive than it currently is. The new dining facilities and other attributes will enhance the whole area which now includes the Tennis SA facility, the Memorial Drive Club and finally a Cricket Centre of Excellence.
- 3.16 The existing capacity of the ground is about 29,500 for cricket matches and about 33,000 for football games. It is expected that with all of the above developments completed the Oval will have a capacity to provide quality accommodation for over 37,500 spectators at cricket matches and approximately 40,000 at football games.
- 3.17 To date, the Association has funded all of the development at Adelaide Oval through its members subscriptions, public patronage and event revenue. However, it is finding it impossible to compete with Government funded facilities that have been provided in other jurisdictions.
- 3.18 If the Government were prepared to assist, the Association would then proceed with the western grandstand redevelopment over the next two to three years. Thus, a Government contribution of \$14.5 million would result in work in excess of \$40 million being undertaken.
- 3.19 The Association believes the Commonwealth Bank would be prepared to advance loan funds for the western grandstand development. This would be serviced from substantially increased cash flows derived from the enhanced facilities. In particular, the Association believes it will be able to increase its membership from the present level of 11,000 to around 16,000. The new facilities would give it the physical capacity to do this and its current waiting list is 7500.
- 3.20 Clearly for this development to proceed would require the Association to demonstrate the business case for a substantial loan from the Commonwealth Bank or other private sector institution. Government contribution should be contingent upon the whole development proceeding.

Staffing

- 3.21 There are no staffing implications associated with this proposal.

Family impact

- 3.22 By providing a shaded and sheltered facility the eastern grandstand proposal will provide a safer environment for spectators at cricket matches. In this regard it should be borne in mind that the nature of the game is that spectators attend outdoors for lengthy periods. The improved amenity will provide a better environment for those who wish to attend matches in family groups.

Small business impact

3.23 There will be no significant impact on small business beyond those normally associated with construction projects.

Consultation

3.24 Discussions have been held with the Association concerning their needs. Consultation has occurred with the Department of Treasury and Finance and the Office of the Treasurer.

Executive Council

3.25 This proposal does not require the consideration of Executive Council.

4 RECOMMENDATIONS

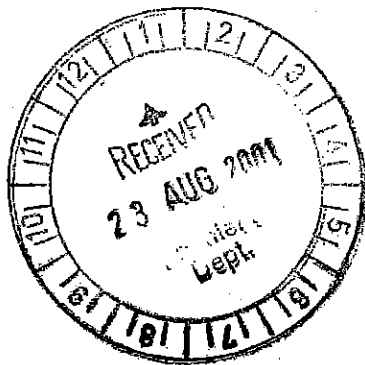
It is recommended that Cabinet:

4.1 Approve the staged funding of a grant of \$14.5 million to the South Australian Cricket Association over seven years, with the first instalment of \$500,000 in 2001-02, towards the cost of a \$49 million redevelopment of Adelaide Oval, subject to the Association's commitment to undertake the Western Grandstand Stage 2 development.

return to Minister
3.9.01

HON IAIN EVANS MP
Minister for Recreation, Sport and Racing
Minister for Environment and Heritage

Date: 23/8/01



ATTACHMENT 1

LETTER FROM SOUTH AUSTRALIAN CRICKET ASSOCIATION



SOUTH AUSTRALIAN
CRICKET ASSOCIATION INC.

ADELAIDE OVAL
NORTH ADELAIDE SA 5006
ABN 94 694 912 780

ADMINISTRATION MARKETING
AND MEMBERSHIP

TELEPHONE 8300 3800
FACSIMILE 8231 4346
admin@saca.com.au

CRICKET DEPARTMENT

TELEPHONE 8300 3838
FACSIMILE 8231 6003
@saca.com.au

FAVELL-DANSIE
INDOOR CENTRE
TELEPHONE (A.H.) 8300 3819
Indoorcentre@saca.com.au

ADELAIDE OVAL
FUNCTION CENTRE

TELEPHONE 8300 3833
FACSIMILE 8231 0599
catering@saca.com.au

MATCH OFFICE
(match days only)

TELEPHONE 8300 3888
matchoffice@saca.com.au

INTERNET
www.cricketsa.com.au



MAJOR SPONSOR OF THE
STATE TEAM AND GRADE
CRICKET IN SOUTH AUSTRALIA

21 August 2001

The Hon Iain Evans MP
Minister for Recreation, Sport and Racing
Chesser House
91 Grenfell Street
ADELAIDE SA 5000



My Dear Minister

Re: Adelaide Oval Development - Costs

As you are aware, the South Australian Cricket Association intends to redevelop Adelaide Oval in the near future, and proposes to undertake the project in two stages.

The first stage will now involve construction of a new public grandstand adjacent to the Victor Richardson Gates on the eastern side of the Oval, as well as additional covered public seating facilities on the north-eastern and south-eastern mounds, and new under-mound storage facilities.

Stage two is a major redevelopment of the western grandstands to raise the roof to the same height as the Sir Donald Bradman Grandstand, and to install two additional tiers of seating as well as new dining and bar facilities.

The current estimated cost of the project in total is \$49 million, of which \$14.475 million will be for stage one and \$34.7 million for stage two.

In a previous submission to you, SACA sought \$11 million, by way of a Government grant to fund stage one. The SACA intends to fund stage two itself.

However, following discussions with you on the issue of encroachment into the Parklands, SACA has conducted a major redesign of the eastern side of the Oval, for the purpose of retaining the development completely within the Adelaide Oval footprint. To achieve the required increase in seating capacity and to provide a covered grandstand, SACA has been forced to abandon the concept of re-using the temporary eastern grandstands, and replace them with a new grandstand of concrete construction, which is, of necessity, cantilevered over the internal roadway which surrounds the Adelaide Oval.

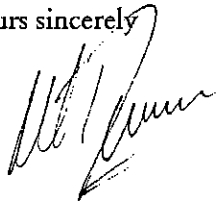
The structure of the new grandstand and the supporting mechanism for the roof have resulted in an increase in grandstand costs of \$3.1 million from the previously quoted \$3 million to \$6.1 million.

In addition, as the new design contemplates, for heritage reasons, retaining the existing eastern gatehouse, it will now be necessary to construct a similar structure on the northern side of the Victor Richardson Gates, which had not been anticipated in the original design. This is estimated to cost an additional \$250,000.00.

The remaining costs of approximately \$150,000.00 are related to the demolition and disposal of the existing temporary grandstand and realignment of the Victor Richardson Gates, costs again which were not anticipated in the previous design.

As illustrated by the these increases in costs, stage one of the project is now put at \$14.5 million by Hassell Architects. Accordingly, SACA wishes to revise its funding request from the previous amount of \$11 million to \$14.5 million.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael J Deare". The signature is written in a cursive style with a large, sweeping initial "M".

Michael J Deare
CHIEF EXECUTIVE

ATTACHMENT 2

PROPOSED GOVERNMENT FUNDING GRAPH

Proposed Government Funding \$14.5M (GST Exclusive)

