

Inquiry into the Queensland Tennis Centre

Report No. 31, 56th Parliament
Transport and Public Works Committee
November 2019

Transport and Public Works Committee

Chair	Mr Shane King MP, Member for Kurwongbah
Deputy Chair	Mr Ted Sorensen MP, Member for Hervey Bay
Members	Mr Colin Boyce MP, Member for Callide
	Mr Robbie Katter MP, Member for Traeger
	Mr Bart Mellish MP, Member for Aspley
	Mrs Jo-Ann Miller MP, Member for Bundamba

Committee Secretariat

Telephone	+61 7 3553 6621
Fax	+61 7 3553 6699
Email	tpwc@parliament.qld.gov.au
Technical Scrutiny Secretariat	+61 7 3553 6601
Committee webpage	www.parliament.qld.gov.au/TPWC

Acknowledgements

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Abbreviations

AHD	Australian Height Datum
ARI/ARIS	Animal Research Institute/Animal Research Institute site
Ariadne	Ariadne Australia Ltd, Watpac Limited and Abacus Property Group
ATP	Association of Tennis Professionals
BCC	Brisbane City Council
BEC	Brisbane Entertainment Centre
BI	Brisbane International
CBD	central business district
CBRC	Cabinet Budget Review Committee
Citta Property Group	Citta Property Group, Babcock and Brown Pty Ltd and Abigroup Limited consortium
the committee	Transport and Public Works Committee
DA	development approval
DDA	Disability Discrimination Act
DDP	detailed development proposal
Devine	Devine Limited, ABN AMRO and Multiplex consortium
DHPW	Department of Housing and Public Works
DIIESRQ	Former Department of Innovation and Information Economy, Sport and Recreation Queensland
DLGPSR	Department of Local Government, Planning, Sport and Recreation
DNR	Department of Natural Resources
DOC	former Department of Communities
DPC	Department of the Premier and Cabinet
DPW	former Department of Public Works
EIA	environmental impact assessment
Evaluation Committee	TRD Project Office Evaluation Committee
FERP	Flood Emergency Response Plan

G100	1 in 100 year flood event
ITF	International Tennis Federation
Lend Lease	Lend Lease Development Pty Ltd
Mirvac	Mirvac Constructions (Qld) Pty Ltd
PRA	Pat Rafter Arena
QEC	Queensland Electricity Commission
QFCI	Queensland Floods Commission of Inquiry
QFRS	Queensland Fire and Rescue Service
QT	Queensland Treasury
QTC	Queensland Tennis Centre
SRQ	Sport and Recreation Queensland
SPRP	State Planning Regulatory Provision
SQ	Stadiums Queensland
SRBC	South Regional Business Centre
STC	State Tennis Centre
Stockland	Stockland Development Pty Ltd, Barclay Mowlem, Next Generation Clubs Australia Pty Ltd and Pat Rafter (Project Champion) consortium
TA	Tennis Australia
TOD	Transit Oriented Development
TPH	former Tennyson Power House
TPS	former Tennyson Power Station
TQ	Tennis Queensland
TRD	Tennyson Riverside Development
TRD-DA	Tennyson Riverside Development – Development Agreement
Walker	Walker Corporation Pty Ltd
WTA	Women’s Tennis Association

Chair's foreword

This report presents a summary of the Transport and Public Works Committee's public works inquiry into the Queensland Tennis Centre (QTC).

The committee's consideration of the QTC included the original decision to develop the centre, the development process and any issues that have arisen with the centre subsequent to its construction, including the consequences from the 2011 Brisbane floods.

The committee found that the QTC has been a successful development and considers that lessons learnt from the 2011 floods will contribute to a reduced risk to the centre in the long term.

On behalf of the committee, I thank representatives from the Department of Housing and Public Works, Stadiums Queensland and Tennis Queensland for their assistance throughout the committee's inquiry. I also thank our Parliamentary Service staff.

I commend this report to the Parliament.

A handwritten signature in black ink that reads "Shane King". The signature is written in a cursive, slightly slanted style.

Shane King MP
Chair

Recommendations and conclusions

Recommendation 1 2

The committee recommends the Legislative Assembly note the contents of this report.

Conclusions 3

The committee has concluded:

- The work is suitable for its purpose.
- The work was necessary and advisable.
- The work was reasonable value for money.
- The cost, revenue produced by, and recurrent costs of the work are reasonable.
- The work has had a positive impact on the community, the economy and the environment.
- The procurement method for the work was suitable.
- The balance of public and private sector involvement in the work is satisfactory.
- The work was completed according to specifications, with minor modifications, delivered on-time and within budget and contractual obligations were met.
- The lessons learnt from the 2011 floods have been acted upon and will contribute to a reduced risk to the facilities in the long term.

1 Introduction

1.1 Role of the committee

The Transport and Public Works Committee (committee) is a portfolio committee of the Legislative Assembly which commenced on 15 February 2018 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's primary areas of responsibility are:

- Transport and Main Roads
- Housing, Public Works, Digital Technology and Sport.

Under section 94 of the *Parliament of Queensland Act 2001*, the committee has the following responsibilities to the extent that they relate to the committee's portfolio areas:

- (a) the assessment of the integrity, economy, efficiency and effectiveness of government financial management by—
 - (i) examining government financial documents; and
 - (ii) considering the annual and other reports of the auditor-general;
- (b) works (*public works*) undertaken by an entity that is a constructing authority for the works if the committee decides to consider the works;
- (c) any major works if the committee decides to consider the works.²

1.2 Scope of the inquiry

On 4 May 2018 the committee resolved to conduct a public works inquiry into the Queensland Tennis Centre (QTC).

The terms of reference for the inquiry, as set out in section 94(2) of the *Parliament of Queensland Act 2001*, are to examine the Queensland Tennis Centre project and report to Parliament on:

- (a) the stated purpose of the works and the apparent suitability of the works for the purpose; and
- (b) the necessity for, and the advisability of, the works; and
- (c) value for money achieved, or likely to be achieved, by the works; and
- (d) revenue produced by, and recurrent costs of, the works or estimates of revenue and costs for the works; and
- (e) the present and prospective public value of the works, including, for example, consideration of the impact of the works on the community, economy and environment; and
- (f) procurement methods for the works; and
- (g) the balance of public and private sector involvement in the works; and
- (h) the performance of—
 - (i) the constructing authority for the works; and

¹ *Parliament of Queensland Act 2001*, section 88 and Standing Order 194.

² *Parliament of Queensland Act 2001*, sections 94, 96 and Schedule Dictionary.

- (ii) the consultants and contractors for the works; with particular regard to the time taken for finishing the works and the cost and quality of the works; and
- (iii) the actual suitability of the works in meeting the needs and in achieving the stated purpose of the works.

1.3 Inquiry process

On 15 May 2018, the committee sought a written submission from the Department of Housing and Public Works (DHPW) addressing the terms of reference and responses to specific questions. Refer Appendix A for details of these questions.

On 24 May 2018, the committee invited stakeholders and subscribers to make written submissions addressing the terms of reference. Submissions closed on 17 July 2018. Two submissions were received. Appendix B contains a list of submissions received.

The committee undertook a site inspection of the Queensland Tennis Centre on 18 July 2018.

The committee held a combined public briefing/hearing with representatives from DHPW, Stadiums Queensland (SQ) and Tennis Queensland (TQ) on 17 September 2018. Refer Appendix C for a list of participants.

The submissions, correspondence from the department, answers to questions asked on notice and transcript of the briefing/hearing are available on the committee's webpage.



Members of the Transport and Public Works Committee visiting Queensland Tennis Centre.

1.4 Recommendations and conclusions

The committee's recommendation and conclusions are summarised as follows:

Recommendation 1

The committee recommends the Legislative Assembly note the contents of this report.

Conclusions

The committee has concluded:

- The work is suitable for its purpose.
- The work was necessary and advisable.
- The work was reasonable value for money.
- The cost, revenue produced by, and recurrent costs of the work are reasonable.
- The work has had a positive impact on the community, the economy and the environment.
- The procurement method for the work was suitable.
- The balance of public and private sector involvement in the work is satisfactory.
- The work was completed according to specifications, with minor modifications, delivered on-time and within budget and contractual obligations were met.
- The lessons learnt from the 2011 floods have been acted upon and will contribute to a reduced risk to the facilities in the long term.

2 Background and scope of the project

2.1 Background

The scope of the committee's inquiry included both the need for elite tennis facilities in Queensland and identification of a satisfactory use for the disused former Tennyson Power Station (TPS) site.

2.1.1 Tennis in Queensland

Between 1915 and 1994, the Milton Tennis Centre, located in Frew Park in the Brisbane suburb of Milton, had been the home of tennis in Queensland. The Milton site was sold in 1999.³ TQ advised that, following the demise and sale of the Milton centre, they worked with the state government for many years to find a suitable site for the development of a replacement home for tennis in Queensland, including the investigation of many other sites.⁴

DHPW advised the committee that in 2002, TQ submitted a proposal to government, through the then Department of Innovation and Information Economy, Sport and Recreation Queensland (DIIESRQ) for the development of a new state tennis headquarters.⁵

TQ advised:

Since the demise and sale of the Frew Park Tennis Centre at Milton, TQ had worked tirelessly with the state government for many years to find a suitable site for the development of a replacement home for tennis in Queensland. Many other sites were investigated but at the end of this process it was determined that the site of the decommissioned Tennyson Power Station presented as the best overall opportunity to provide such a facility at the least possible cost to the Queensland taxpayers.⁶

2.1.2 Tennyson site

The TPS occupied a site in King Arthur Terrace, Tennyson, between the 1950s and the 1980s when it was decommissioned. The decommissioned TPS buildings remained on the site until 2006.

In May 1996, the then Department of Natural Resources (DNR) commissioned Connell Wagner to undertake a land use study of the former TPS site.

As part of that study, Connell Wagner investigated the history of the site noting:

- The region was opened for settlement by free Europeans in 1842, and the land around Tennyson remained Crown land until the early 1860s.
- The land around Tennyson was cleared in the 1850s and areas of land surveyed for purchase in 1861 and sold as 'country lands' with portions ranging in size from 20 and 30 acres to 100 acres. The land was used primarily for farming.
- Major floods in 1863, 1864, 1870 and 1893 destroyed various types of crops.
- Residential development was slow to occur in the area as it was relatively isolated from reliable transport networks and was low-lying and prone to flooding.
- In the 1880s a rail line was constructed to link the Ipswich line to the South Brisbane wharves and a station was constructed at Tennyson (originally called 'Softstone'). The station closed not long after opening due to a lack of patronage but was reopened during the 1893 flood after the Indooroopilly Bridge was washed away.

³ Submission 2, p 7.

⁴ Submission 1, p 1.

⁵ Submission 2, p 7.

⁶ Submission 1, p 1.

- Small industrial properties, including mills and other factories, located south of the train line developed in the early twentieth century and some larger agricultural holdings were subdivided for residential purposes.
- In 1909, the Animal Research Institute (ARI) established its Stock Experiment Station at Yeerongpilly, next to Tennyson, on former agricultural land. In 1933, the University of Queensland built the Veterinary School on the site but vacated in 1941 during World War Two. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) used the building until the 1960s.
- The Tennyson Power House (TPH) was built by the Brisbane City Council (BCC) in the 1950s on part of the ARI lands with a landscape buffer established between the ARI buildings and the power station.
- The power house was built in stages with stage 1 construction beginning in 1950 and the third and final stage not finished until 1964.
- In the 1960s, local government power generation and supply were transferred to state government control.
- In 1974, the TPH was affected by the Brisbane River flood. During the flood, two 60 MW units of Tennyson 'B' were forced to shut down. However, when designing the power house the architects and engineers included a wall to surround the turbine room basement of the 'A' and 'B' stations to flood proof the building. This measure was successful, although water entered the basement through leaking floor valves and some electric motors and turbine auxiliaries were flooded. There was also damage to stockpiles of coal, the coal handling plant and workshop.
- The Queensland Electricity Generating Board and the State Electricity Commission amalgamated in 1985 to form the Queensland Electricity Commission (QEC). The following year the QEC corporate plan recommended the closure of the TPH along with a number of other power houses. The power houses were gradually decommissioned during the late 1980s.
- All the plant and equipment at the site, including turbines, coal handling plant, fabric filters, demineralisation plant, ash handling plant, cooling systems, pumps and motors, were auctioned in 1989. The 'package' power house, built in 1953, was demolished and a contract for the removal of asbestos and plant and partial demolition of the power house was awarded to a demolition contractor in 1991. The riverbank moorings were removed in 1993.⁷

Appendix D contains photos of the disused TPS prior to its demolition.

2.1.3 Development process

DHPW advised the committee that in October 2003, DIIESRQ commenced a two-stage competitive bid process to identify a preferred development for the old TPS site, known as the Tennyson Riverside Development (TRD).⁸ The TRD project included a state tennis centre (STC) and associated development such as community facilities, residential accommodation and commercial outlets.⁹

⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 54-62.

⁸ Submission 2, p 7.

⁹ Submission 2, p 7.

On 29 September 2005, the State of Queensland, represented by the then Department of Local Government, Planning, Sport and Recreation (DLGPSR), entered into the TRD Development Agreement (TRD-DA) with Mirvac Constructions (Qld) Pty Ltd (Mircvac) to develop the land precinct and construct the tennis centre on the site of the TPS, in exchange for certain parcels of land.¹⁰

On 1 December 2008, responsibility for the provisions relating to the STC was transferred from DLGPSR to Stadiums Queensland (SQ). SQ is a statutory body established under the *Major Sports Facilities Act 2001*. Responsibility for the provisions of the TRD-DA relating to the residential and associated development was transferred to the then Department of Public Works (DPW).¹¹

DHPW advised the TRD-DA principally covered the STC construction arrangements, the transfer of the associated development (residential) land to Mirvac and related performance conditions.¹²

Practical completion of the STC was achieved on 2 December 2008 and opened in January 2009. The centre court was officially named the 'Pat Rafter Arena' (PRA). The centre hosted the inaugural Brisbane International tennis tournament from 4 to 11 January 2009.¹³

Subsequent to the completion of the STC, Mirvac developed the Softstone and Lushington residential apartment buildings, completed in April 2009, and the Farringford residential apartment building, completed in March 2010.¹⁴

Figure 1 depicts an aerial view of the complex. Additional images of the completed QTC are contained in Appendix D.

Figure 1: Aerial view of Queensland Tennis Centre complex



Source: Tennis Venues, 'Queensland Tennis Centre', <https://www.tennisvenues.com.au/venue/queensland-tc>

¹⁰ Submission 2, p 7.

¹¹ Submission 2, p 7.

¹² Submission 2, p 9.

¹³ Submission 2, p 7.

¹⁴ Queensland Floods Commission of Inquiry, Statement of Brett Draffen, 9 September 2011, p 1.

2.1.4 Management structure

SQ advised that it is responsible for the ownership and management of major sports facilities in Queensland that have the capacity to host major sporting and entertainment events. SQ advised that in 2007 the State decided that the QTC would become a major sports facility under the ownership of SQ. QTC is one of nine venues owned by SQ. SQ advised:

*This decision was made following the government deciding to accept a proposal from Tennis Australia to change the design of the centre to enable it to host the Brisbane International as a new lead-in tournament to the Australian Open.*¹⁵

QTC was prescribed as a major sports facility following practical completion and handover of the facility on 2 December 2008.¹⁶

SQ also advised that the QTC operating lease and the office lease for TQ's administrative headquarters are novated from DHPW to SQ as a consequence of the transfer of ownership.¹⁷ SQ advised:

*The QTC is leased to Tennis Queensland, which hires the venue to Tennis Australia for the annual Brisbane International, and has been engaged to operate and manage the day-to-day tennis activities at the venue.*¹⁸

SQ advised that while TQ as the lessee is responsible for the operation of the facility, SQ remains responsible for funding asset maintenance and end-of-useful life asset replacement other than the replacement of the 16 Plexicushion court services.¹⁹

2.2 Overview of facilities

2.2.1 Location and site

The QTC is located at 190 King Arthur Terrace, Tennyson, within the boundary of the Brisbane City Council area. The site is freehold land owned by SQ. It has an area of 6019 square metres. The real property description is Lot 7 on SP214201.²⁰

The location maps contained in figures 2, 3 and 4 detail the site's location in relation to the Brisbane central business district (CBD) and its local location in King Arthur Terrace, Tennyson.

¹⁵ Public hearing transcript, Brisbane, 17 September 2018, p 1.

¹⁶ Public hearing transcript, Brisbane, 17 September 2018, p 2.

¹⁷ Public hearing transcript, Brisbane, 17 September 2018, p 2.

¹⁸ Public hearing transcript, Brisbane, 17 September 2018, p 1.

¹⁹ Public hearing transcript, Brisbane, 17 September 2018, p 2.

²⁰ Submission 2, p 8.

Figure 2: Site in relation to the Brisbane CBD

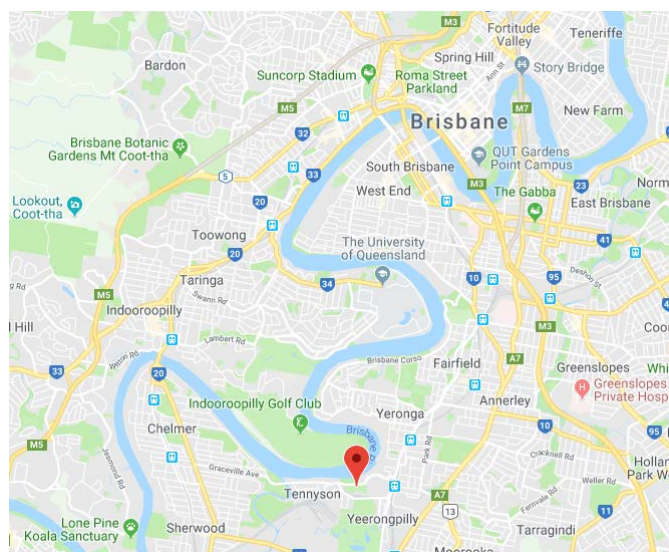


Figure 3: Site location in relation to surrounding facilities

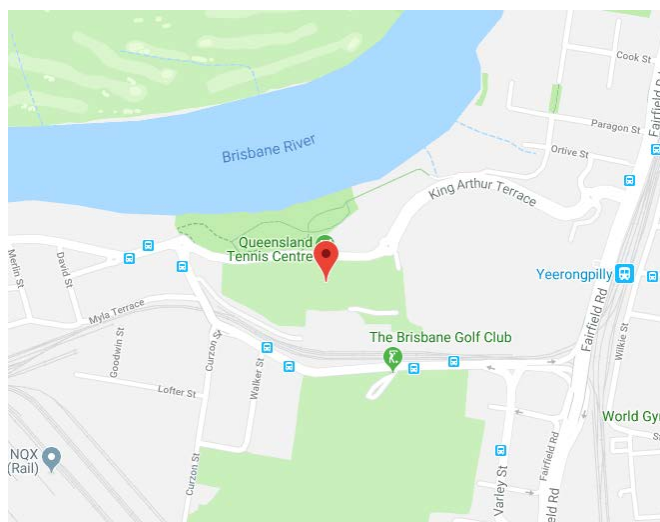
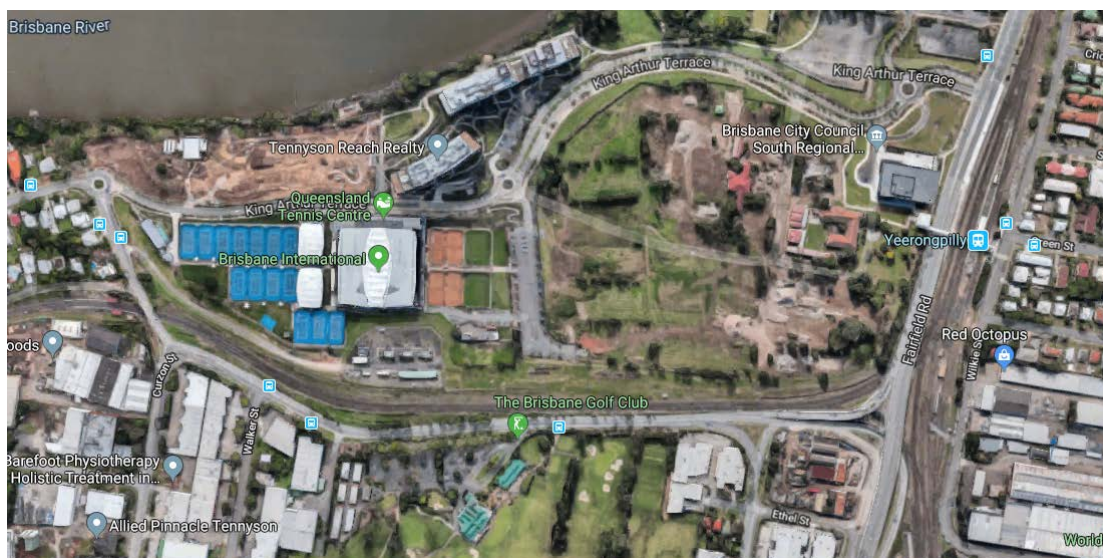


Figure 4: Site location in relation to surrounding facilities (satellite image)



2.2.2 Facilities

DHPW advised that the QTC facilities incorporate:

- a 5,500 seat international standard Plexicushion centre court with corporate facilities
- 23 International Tennis Federation (ITF) standard match and training courts including one grass court, five clay courts and 16 Plexicushion courts
- administrative, commercial and support facilities including change rooms, pro shop, café, media facilities and function rooms
- administrative offices for TQ.²¹

2.3 Scope of the works

The scope of works included:

- the demolition, removal and decontamination of the TPS site
- construction of the QTC and associated infrastructure.

It should be noted that, whilst the TRD project included the development of residential towers to offset the cost of the STC to the State, the committee did not consider the residential development component during its examination of the project.

2.3.1 Original scope of works

DHPW advised that:

The State's objective was to develop a 'state-of-the-art' stand-alone tennis facility of a sufficient size, quality and functionality to:

- *enable the successful promotion and development of tennis in Queensland;*
- *enable the attraction of and hosting of national and international standard tennis events on a scale similar to Davis Cup and Federation Cup ties, and hardcourt championships and age group championships;*
- *provide a centre for the development of tennis both at a local and state level; and*
- *provide an administrative headquarters for TQ.*²²

DHPW advised that the project brief detailed:

*... the Government's requirements for the STC and covered aspects for this venue such as site planning, transport and access arrangements, facilities, fit-out and handover. The project brief included a requirement that all functional facilities be designed within the STC site to withstand the adverse impact from storms up to a minimum 100 years flood event or other such event as may be required by relevant acts and codes.*²³

²¹ Submission 2, p 8.

²² Submission 2, p 8.

²³ Submission 2, p 13.

TQ confirmed:

In terms of the tennis court infrastructure provided in the initial construction of the QTC, there was a total of 23 international full size courts. There is a mixture of playing surfaces provided offering players access to all of the Grand Slam playing surfaces – cushioned acrylic (as used at the Australian and US Opens), natural clay (as used at the French Open) and natural grass (as used at Wimbledon). These included:

- *Pat Rafter Arena (a stadium based covered centre court with seating for 5,600 spectators) with a Plexicushion playing surface and exceeding Davis Cup size requirements*
- *Show Courts 1 & 2 (courts with shade structures over them) with Plexicushion playing surfaces and meeting Davis Cup size requirements*
- *A further 14 No. [sic] courts with Plexicushion playing surfaces meeting International Tennis Federation (ITF) full size court requirements*
- *Four (4) natural clay courts meeting International Tennis Federation (ITF) full size court requirements **
- *Two (2) double natural grass courts meeting International Tennis Federation (ITF) full size court requirements **

*Note *: During 2017 and following on from a Fed Cup tie held at the QTC on a bumped-in natural clay court on Pat Rafter Arena (PRA), one of the double grass courts was converted to a natural clay court with a large sand pit used for elite athlete fitness and injury recovery training.²⁴*

DHPW advised the project consisted of two stages that provided for the demolition and remediation of the TPS, which was completed in November 2006, followed by the construction of the STC, which commenced in January 2007.²⁵ Practical completion was achieved in December 2008.²⁶

TQ advised that the design development process was conducted with input from key TQ staff and board members.²⁷

TQ advised:

The facility was originally designed with the intent of relocating the annual Australian Women's Hardcourt Championships from the Gold Coast (Royal Pines Resort) and potentially the occasional Davis Cup and Fed Cup events. In addition to these major events, this facility was also designed for our range of annual tournaments ranging from local, state and national level junior, open and seniors tournaments as well as be a training base for our best young emerging talent.²⁸

Mirvac's development application details that the original design:

... creates a subtropical oasis within a new urban environment.

Within the design of the ladder running east-west and linked by a landscaped spine, the courts are arranged typically in pairs, separated by north-south pathways.

²⁴ Submission 1, p 2.

²⁵ Submission 2, p 9.

²⁶ Submission 2, p 9.

²⁷ Submission 1, p 1.

²⁸ Submission 1, p 1.

As the focus of the STC, the centre court (including the administration building) creates a destination and control point for activities in both normal day use and event mode. The centre court will be countersunk to create a tennis 'theatre'.²⁹

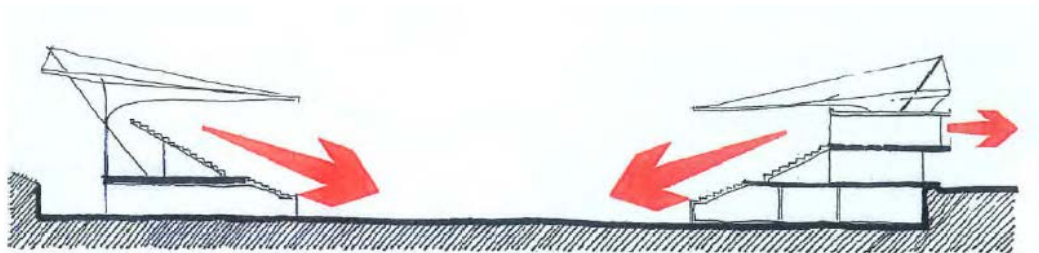
Figure 5 contains an image of the proposed design contained in Mirvac's development application. Figure 6 shows the countersunk design and original roof structure, and figure 7 depicts the original planned design of the QTC.

Figure 5: QTC design



Source: Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 54.

Figure 6: Countersunk design and original roof structure



Source: Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 63.

²⁹ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 63.

Figure 7: Original planned design of the QTC

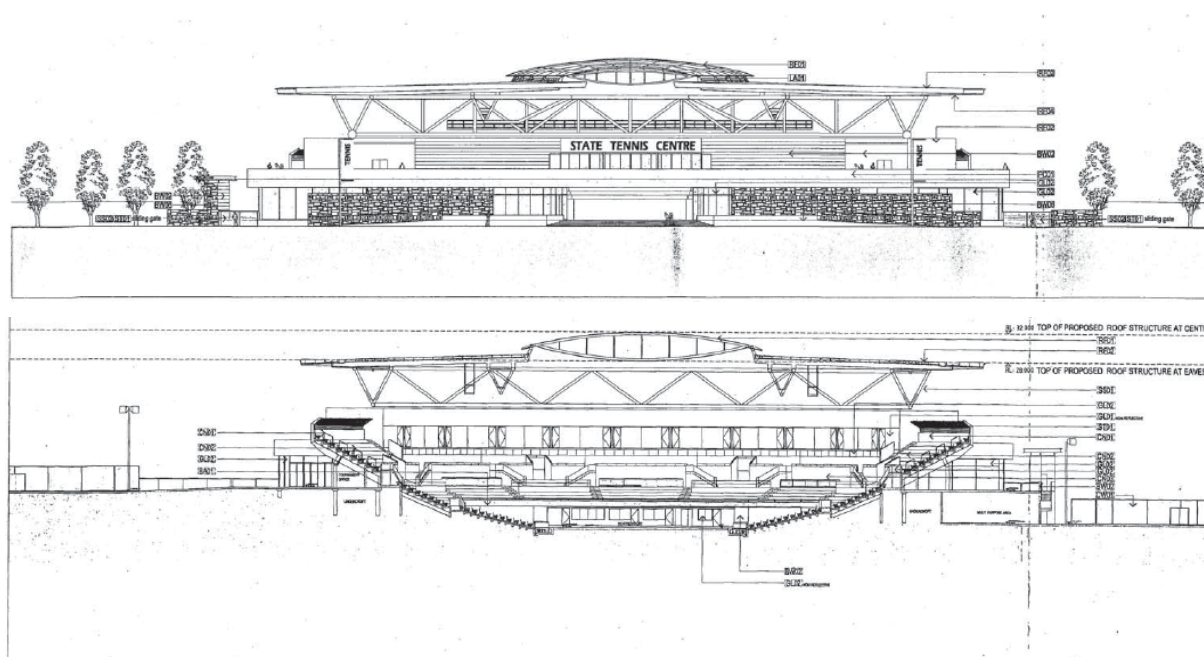


Source: Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 71.

2.3.2 Changes to scope of works during construction

The original design for the STC roof did not incorporate a covered roof on centre court. DHPW advised that the scope of the STC design was varied during construction to include the addition of a roof. The addition of the roof was approved in June 2006 to facilitate the hosting of an annual international tennis tournament.³⁰ Figure 7 above shows the original proposed roof design, and figure 8 depicts the final approved roof design.

Figure 8: Approved amended roof design



Source: Brisbane City Council, *Application No A001638640 – Plan - Approved*, dated 23 March 2007, pp 1-5.

³⁰ Submission 2, p 8.

The reason cited for the variation of scope to include the installation of a fixed roof over the centre court stadium was to reposition the STC to attract and host international hardcourt tennis championships, including the new Brisbane International (BI) tennis tournament, and other tournaments hosted by the Association of Tennis Professionals (ATP) and Women's Tennis Association (WTA).³¹

TQ advised:

The original design of PRA was for this to be an open-air court, however TQ was successful in convincing the state government and the contractor that this court needed to be covered to protect players, spectators and events from the harsh Queensland sun and the potential of rainfall interrupting these events. The roof structure constructed over PRA prevents rain from impacting upon play except on very rare occasions where rain driven by strong winds is able to reach the court playing surface area.

The roof structure over PRA was intentionally designed not to completely weatherproof this court. With the BI classified as an "outdoor" event, fully enclosing PRA would have made this an indoor court and therefore different from the remainder of the courts used for this event. The alternative would have been to construct PRA with a retractable roof (as per Rod Laver Arena in Melbourne), however this would have added significant additional cost to the project.

TQ recognised for this event and for year round public usage of this facility that the two Show Courts (Courts 1 & 2) should also have a shade / weather structure constructed over them. Therefore TQ called for design and construction proposals for these structures and in conjunction with the state government and the head contractor, selected a proposal from Universal Fabric Structures. TQ provided the funding for the incorporation of these structures into the initial build of the QTC at a cost of approximately \$1.3 million.³²

TQ confirmed:

Halfway through the construction of this facility, the annual Brisbane International (BI) event was conceived. This event was a combination of the Australian Women's Hardcourt Championships and the Australian Men's Hardcourt Championships that until then had been held in Adelaide at their Memorial Drive complex. Whilst the facility had not been initially designed with this combined major event in mind, the infrastructure (by this we mean the off-court infrastructure) was initially adequate for these events. However, as the event grew, it began to struggle to meet the expectations the ATP and WTA for the level of the event it had developed into.³³

In relation to the change in scope, Mr Peisker's statement notes:

In April 2006, TQ advised the State that its event attraction strategy for the STC had shifted focus from hosting Davis Cup ties in winter on grass to hosting a major hard court tournament in summer as a key lead in to the Australian Open and that the shift would require design changes to the STC including the construction of a roof to the centre court facility.

...

... the State supported design changes to the STC to assist in attracting major tennis events back to Queensland.

³¹ Submission 2, p 9.

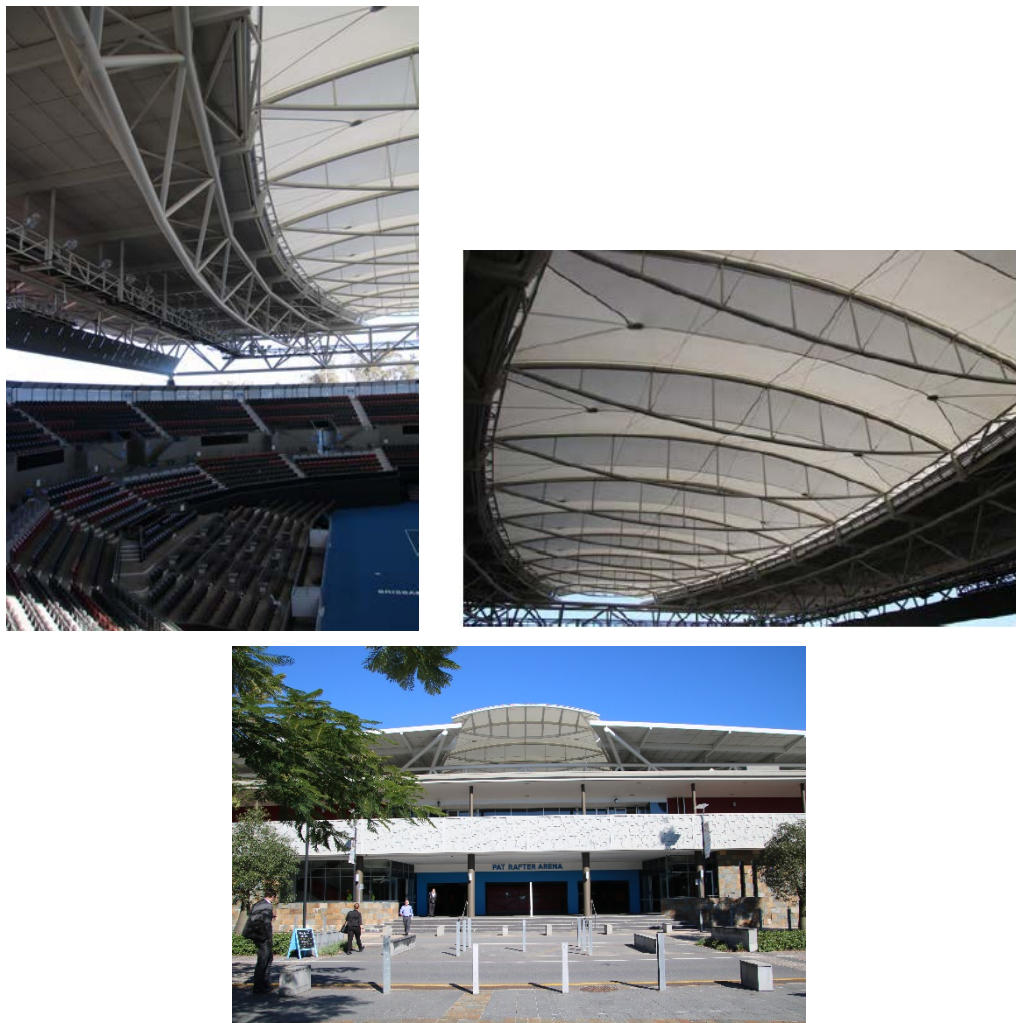
³² Submission 1, p 2.

³³ Submission 1, p 2.

On 7 July 2006, TA announced a new combined Australian Men's and Women's Hard court Championship event would be held at the STC in Brisbane from January 2009. The inaugural Brisbane International was held in January 2009.³⁴

Figure 9 contains images of the completed roof structure of PRA.

Figure 9: Images of Pat Rafter Arena roof.



2.4 Project time frames

As noted in section 2.1.3, the project consisted of two stages. Stage 1 (demolition and remediation of former TPS) commenced in May 2006 and was completed in December 2006. Stage 2 (construction of STC) commenced in March 2007 and was completed in December 2008.³⁵

Table 1 provides details of the major project time frames and compared to projected time frames.

³⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 17.

³⁵ Submission 2, p 10.

Table 1: Project time frames

Milestones	Start Date			Completion Date		
	Original Estimate	Revised Estimate	Actual	Original Estimate	Revised Estimate	Actual
Demolition and remediation works	28/11/05	-	4/05/06	22/09/06	30/11/06	1/12/06
Conditions Precedent satisfied (including development approval)	01/08/06	22/11/06	22/11/06	01/08/06	22/11/06	18/12/06
Design Development	13/03/06	-	20/3/06	21/12/06	31/01/07	31/01/07
Tender and award trade packages for State Tennis Centre (STC) construction	15/01/07	-	2/03/07	20/04/07	28/09/07	02/03/07
Site access and Operational works (e.g. site services)	8/01/07	-	8/01/07	5/12/08	27/08/07	31/01/07
Construct STC	14/05/07	19/03/07	19/03/07	17/12/08	01/12/08	30/11/08
Commission STC	25/02/08	9/04/08	15/09/08	31/12/08	01/12/08	29/11/08
STC Practical Completion	17/12/08	01/12/08	01/12/08	17/12/08	01/12/08	01/12/08
Handover of STC to State	5/01/09	11/12/08	02/12/08	5/01/09	11/12/08	02/12/08

Source: Submission 2, p 10.

2.5 Major consultants and contractors

The major contractor/developer for the project was Mirvac with the then DPW–Project Services appointed as the State’s representative to administer the development agreements.³⁶

TQ confirmed the selection of Mirvac to design and construct the QTC and development of the adjoining Tennyson Reach residential complex followed a procurement process conducted by DPW.³⁷

Consultants and contractors for the project included:

- Lambert & Rehbein (civil engineering and environmental consultancy services)
- Ranbury Services (Independent Certifier, review of the Development Agreement and related documents, and development of an extensive Independent Certifier Plan)
- WSP (mechanical and electrical services, lighting design and fire engineering services)
- Populous (architecture and master planning services)
- Project and Development Services Pty Ltd (project management consultants)
- Brannock & Associates (town planning services)
- GHD (consulting engineering and hydrological services)
- Thomson Kane (hydraulic consulting engineers)
- Lincolne Scott Associates (electrical and mechanical consulting engineers)
- Qantec McWilliam (structural consulting engineers)
- CERTIS (building certifiers).³⁸

³⁶ Submission 2, p 10.

³⁷ Submission 1, p 1.

³⁸ Queensland Floods Commission of Inquiry, Statement of Brett Draffen, 9 September 2011, p 6.

3 Terms of reference

3.1 Purpose of the work

With regard to the purpose of the works, DHPW advised:

Since the closure of the Milton Tennis Centre in 1999, tennis lacked a focal point in Queensland and therefore, the ability to compete with other States to host major international tournaments.

The aim of STC was to provide an international-standard tennis facility that is efficiently run, well maintained and recognised by users and spectators alike as synonymous with tennis excellence.

STC would maximise the opportunities to further develop the sport of tennis in Queensland and Australia and to promote Queensland as a premier sporting and tourist destination.³⁹

DHPW further advised that the work was necessary because:

Tennis in Queensland lacked a home since the closure of the Milton Tennis Centre in 1999. The Queensland Government required a State Tennis Centre to be a state-of-the-art stand-alone tennis facility. It was to be of sufficient size, quality and functionality to successfully promote the development of tennis in Queensland and attract and host state, national and international standard tennis events.⁴⁰

3.2 Suitability of the works

3.2.1 Location and site suitability

DHPW advised at the time the site was selected there were a limited number of potential sites within the Brisbane metropolitan area that were capable of meeting the requirements for a State tennis centre. DHPW and TQ undertook investigations of potential sites and found the former TPS site to be the most suitable.⁴¹

3.2.2 Site selection

DHPW advised that the desirable attributes for a new STC were considered to be:

- centrally accessible to the population density of South East Queensland
- well serviced by transport infrastructure (including public transport)
- capable of accommodating at least 22 tennis courts, ideally with some potential for future expansion
- the site should preferably possess no apparent higher or better use for the foreseeable future
- the facility should not compete with any existing privately managed facilities to the greatest and practicable extent
- it must be able to provide affordable facilities to the community.⁴²

³⁹ Submission 2, p 10.

⁴⁰ Submission 2, p 14.

⁴¹ Submission 2, p11.

⁴² Submission 2, p 11.

DHPW advised that TQ investigated a range of potential sites for the development of new tennis headquarters in Brisbane including the Boondall Entertainment Centre (BEC), Sleeman Centre at Chandler, Queensland Sport and Athletics Centre at Nathan (formerly known as ANZ Stadium or QEII Stadium), former Milton Tennis Centre, Boggo Road Gaol at Dutton Park, Brisbane Showgrounds at Bowen Hills and the TPS site.⁴³

TQ provided a proposal for a state tennis centre and national clay court facility to the government in September 2002.⁴⁴ TQ's proposal identified the reasons the other sites were eliminated as follows:

- BEC – location was considered less than ideal, with limited public transport and already serviced by 40 tennis courts. Cost of development was estimated at more than \$7 million.
- Sleeman Centre – location was considered less than ideal, with limited public transport. Cost of development was estimated at more than \$7 million.
- Queensland Sport and Athletics Centre – site was compromised by the existing infrastructure and therefore limited the number of courts.
- former Milton Tennis Centre – site was in the process of being redeveloped for residential use.
- Boggo Road Gaol – topographical features on the site posed some challenges and required removal of infrastructure. Site had already been endorsed as a 'new technology village'. Cost of development was estimated at more than \$7 million.⁴⁵

TQ confirmed:

*Many other sites were investigated but at the end of this process it was determined that the site of the decommissioned Tennyson Power Station presented as the best overall opportunity to provide such a facility at the least possible cost to the Queensland taxpayers.*⁴⁶

TQ concluded that the TPS was the preferred location due to its central metropolitan location and public transport links. Site size was suitable and could be delivered at no cost to government, subject to concept assumptions noted below.⁴⁷ DHPW advised that TQ's proposal also noted that the site was capable of accommodating the requirements of tennis and TQ, while maximising the use of the otherwise constrained TPS site including that tennis courts have the advantage of being able to be built over easements and below the 1 in 100 year flood level (Q100) flood line.⁴⁸

TQ advised one of the reasons this site was presented as the best overall opportunity included that it had the ability to construct a residential complex to help offset the costs of constructing the QTC.⁴⁹

⁴³ Submission 2, p 11.

⁴⁴ Submission 2, p 26.

⁴⁵ Submission 2, pp 29-30.

⁴⁶ Submission 2, p 11.

⁴⁷ Submission 2, p 30.

⁴⁸ Submission 2, pp 11-12.

⁴⁹ Submission 1, p 1.

However, the Queensland Floods Commission of Inquiry (QFCI) final report states:

After expressions of interest were received, three parties were shortlisted to submit detailed development proposals. Two of the three proposals were regarded as non-conforming with the project brief and draft development agreement as they did not locate both the tennis centre and the associated residential development on the one site. The conforming – and ultimately successful – proposal was submitted by Mirvac. The Department of Communities witness accepted that it was plain from the concerns expressed by the other bidders about locating the tennis centre and the associated development on the available land that the site would be a tight fit.⁵⁰

The QFCI final report also states:

... although the Brisbane City Council was responsible for assessing Mirvac's development application, the location for the project was essentially the choice of the Queensland Government. If the Queensland Government becomes involved in selecting land for a development, it should exercise caution when choosing a site; if it becomes apparent that the selected site presents significant flooding risks, it ought to be prepared to consider abandoning the development on that site.

This is particularly so when a residential development is proposed. Two residents of Tennyson Reach whose properties were flooded said that the involvement of the Queensland Government in the development led them to believe that the site would be a safe investment. One of them gave evidence that he did not conduct any flood searches before purchasing the property. He believed that the combination of Queensland Government involvement, Brisbane City Council approval and a reputable developer meant that the development would have been held to stringent standards. Members of the public are likely to regard projects like the Tennyson Reach development as being, at least in part, a Queensland Government initiative and thus having been given the imprimatur of the Queensland Government.⁵¹

Evidence to the QFCI was that:

The Queensland Government was not prepared to locate any part of the project at another location, and Mirvac did not consider asking the Queensland Government if the development could be built on a different site.⁵²

3.2.3 Site issues

DHPW noted that the site had been the subject of a series of government investigations, studies and reports since the power station was decommissioned in 1986. The site and its potential redevelopment were limited by the presence of the former power station building and numerous easements. DHPW advised that the former power station building, whilst not heritage listed, could only be demolished at a very significant cost. DHPW also advised that the site contained the Powerlink substation on its southern boundary and much of the site was below the 1974 flood level. These issues limited the site's potential as a residential housing development.⁵³

⁵⁰ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 191.

⁵¹ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 192.

⁵² Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 191.

⁵³ Submission 2, p 12.

DHPW advised that the government conducted preliminary due diligence on the TPS site in 2003, following TQ's identification of the site as its preferred location for a STC. The preliminary due diligence confirmed the following site constraints:

- the decommissioned power station building
- electricity easements
- transport access issues
- low lying areas which were subject to flooding.⁵⁴

In 1996, the then Department of Natural Resources (DNR) commissioned consultancy firm Connell Wagner to undertake a land use study of the TPS site. The study examined a range of land use options including corporate headquarters, warehouse, light industry, residential, open space and cultural, recreational and institutional activities. Community consultation at the time indicated a preference for cultural, recreational and institutional activities. The report concluded:

...future use of the site is limited by poor road access, contamination from previous activities required further investigation, drainage was poor and significant fill would be required in the south-eastern area to bring it up to the required flood immunity level for development.⁵⁵

The former Executive Director, Infrastructure Planning and Development Branch, Sport and Recreation Services, Department of Communities (DOC), Mr Timothy Peisker, provided a statement to the QFCI in October 2011 that stated that it was also identified in 2003 that the development of an STC and associated developments on the TPS site would require a material change of use and development approval permit from the BCC.⁵⁶

Mr Peisker also commented on community consultation undertaken by Sport and Recreation Queensland (SRQ) for the project stating:

The State, predominately through SRQ, and then Mirvac once appointed developer for the TRD, consulted with the local community on the proposed project and the impacts for local residents. SRQ met with the Tennyson Residents Association on a number of occasions to provide project updates and receive feedback on the impacts of the project on the local community. My recollections are that key issues for the local community were transport and access arrangements, the nature and scope of the residential development and the impact on residents during construction.⁵⁷

3.2.4 Flood Risks

As noted in section 3.2.3 above, the QTC was built on a site known to be at risk of flooding. GHD was commissioned by Mirvac to provide advice and analysis in respect of Brisbane River flooding and stormwater quality for the redevelopment of the TPS.⁵⁸

⁵⁴ Submission 2, pp 12-3.

⁵⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 2.

⁵⁶ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 4.

⁵⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 16-17.

⁵⁸ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 765.

Mr Peisker's statement notes that:

GHD's report to Mirvac stated that BCC have estimated the 1974 peak flood level (at the site) was 10.8m Australian Height Datum and also estimated that the Wivenhoe Dame had reduced the 100 year Average Recurrence Interval (ARI) river flood level at the site. The report stated that BCC provided a Defined Flood Level (DFL) of 7.9m for the site for planning purposes.

GHD's report state that in order to meet BCC's Urban Management Division Subdivision and Development Guidelines (Part B Design Requirements) in respect of flood immunity, various habitable and non-habitable uses are required to be above flood levels. These were 100 year ARI plus 0.5m for habitable uses, 100 year ARI plus 0.3m for non-habitable uses and 20 year ARI for car parking.⁵⁹

GHD's report noted that portions of the site formed an 'off stream' ineffective-flow-area or backwater to the Brisbane River of approximately 7.5 ha. The report also notes:

The primary hydrologic and hydraulic functions of the Brisbane River that are potentially impacted due to development are:

- *Floodplain storage; and*
- *Flood conveyance.*

The general requirement in respect of these functions is to cause 'no worsening' of flood condition on other properties due to increase in flood peak flow rate or flood levels.⁶⁰

GHD's analysis concluded:

... the proposed development will have negligible or no affect on the existing floodwater conveyance of the Brisbane River for the 50 and 100 year flood. There will be negligible or no increase in flood water level due to the development of Lots 1 and 2 on RP100860, Lot 1 on RP37962, Lot 663 on SL2532, Lot 1 on RL6147 and Part of Lot 566 on SP104107.⁶¹

BCC updated their flood planning and strategies to respond to flood risk. Council also developed flood awareness maps to provide residents with general and specific information on flooding in Brisbane.⁶² Figure 10 below depicts the Flood Awareness Map for the QTC site.

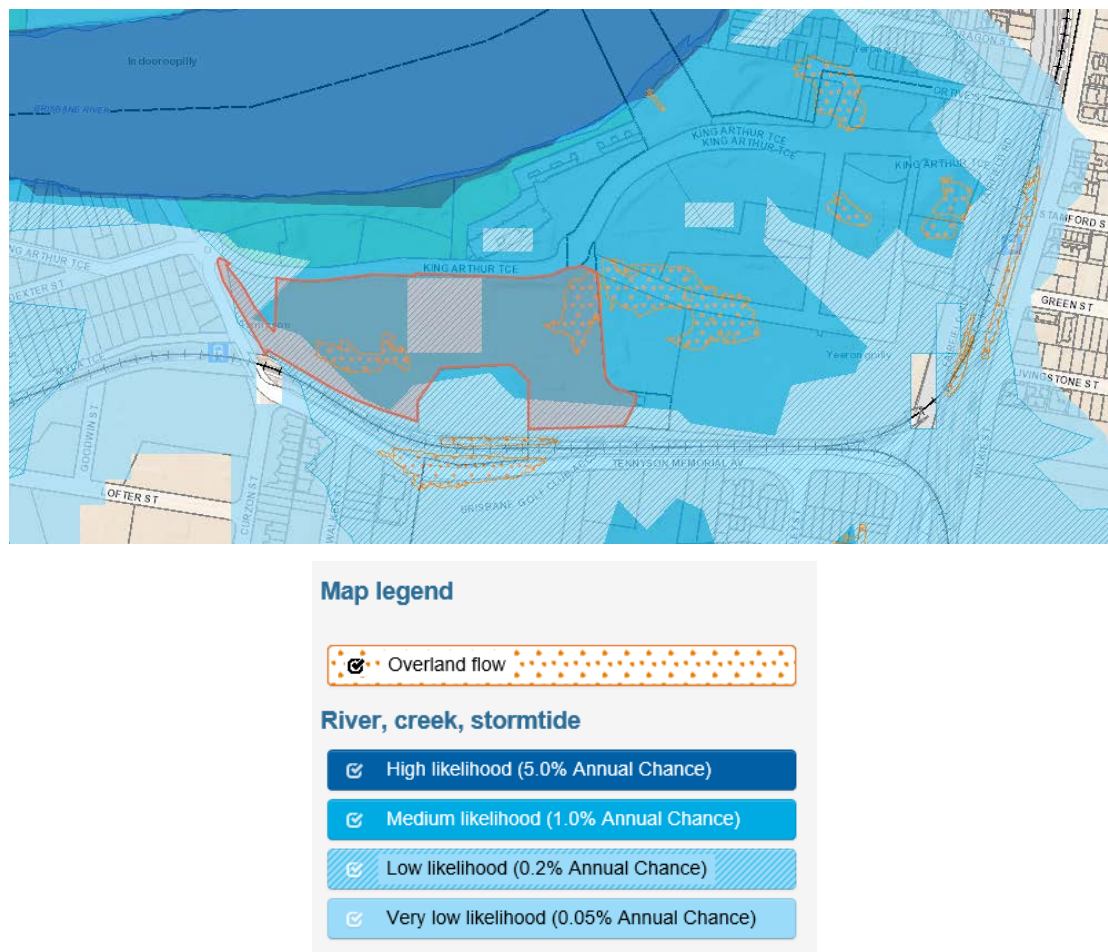
⁵⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 15.

⁶⁰ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 765.

⁶¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 770.

⁶² Brisbane City Council, 'Flood planning provisions', <https://www.brisbane.qld.gov.au/planning-and-building/planning-guidelines-and-tools/brisbane-city-plan-2014/fact-sheets/flood-planning-provisions>

Figure 10: BCC Flood Awareness Map (as at 25 June 2019)



Source: Brisbane City Council, Flood Awareness Map, <http://floodinformation.brisbane.qld.gov.au/fio/>

Mr Peisker's statement to the QFCI noted that a report prepared by asset management and construction consultants Currie and Brown identified that:

... DPW, Project Services were of the view it would be necessary to construct the Plaza level of the STC above the existing ground level due to potential flooding problems. The report noted the extent of the fill that would be required was unknown at that time, however this would impact on the final cost.⁶³

Mr Peisker advised on 16 February 2005, SRQ met with TQ and TA to discuss a range of issues about Mirvac's proposal, including:

... mitigation of flood risk to centre court and consideration to allow development of the training courts at 1:20 flood levels as outlined in Mirvac's DDP. TQ and TA advised that locating the training courts at 1:20 flood levels would be suitable subject to appropriate design and protection arrangements.⁶⁴

⁶³ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 14.

⁶⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 14.

Mr Peisker further advised:

At the same meeting, the issue of flooding to the centre court was discussed. The key notes and actions from the meeting show that TQ and TA advised that the centre court would need to comply with 1:100 flood immunity and that subject to the planned mitigation arrangements being effective, they should achieve this from an engineering perspective. The meeting proposed the centre court should incorporate appropriate bunding to minimise the impact of possible flooding of the centre court.

... the State agreed to Mirvac's proposal to locate the training courts at the 1:20 flood level subject to Mirvac making a contribution of \$166,000 towards a sinking fund in light of the increased risk to the State of locating these courts at this level.⁶⁵

However, the QFCI final report notes that:

Four clay courts and two grass courts at the State Tennis Centre were built at the level that would be reached by a flood with an average recurrence interval of 20. Specialist advice assessed the cost of remediation of these six courts following flood as being \$166,000 and Mirvac established a sinking fund for this amount. In the January 2011 floods, the grass and clay courts had to be entirely replaced at a cost of approximately \$400,000.⁶⁶

3.2.5 Other identified risks

The commercial property insurance provider, Affiliated FM, was engaged to prepare a risk evaluation report in 2009. High winds and tropical storms in the geographical location were identified as a further risk to the QTC in the risk report. The report noted:

Excessive uplift pressures can not only cause damage to the roof, but are known to cause roofing panels to be torn from the supporting structure. If the contents of the corporate suite and office areas are exposed to the elements, significant property damage is expected to result, rendering these areas useless until repairs have been completed.

Through-fastening the corners and edges of the roofing system will increase the roof's resistance to these uplift pressures, reducing the potential amount of damage that could result.⁶⁷

3.2.6 Size and scale

The TPS site was 11,700 square metres.⁶⁸ The QTC site is 6019 square metres.⁶⁹

⁶⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 14.

⁶⁶ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 205.

⁶⁷ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 13.

⁶⁸ Submission 2, p 12.

⁶⁹ Submission 2, p 8.

3.2.7 Functional performance

DHPW advised:

QTC is a world-class venue for hosting international, national and state-level tennis tournaments. It features an international-standard roofed centre court with 5,500 permanent seats, as well as two show courts seating 1,500 spectators and 20 match and training courts incorporating all three Grand Slam court surfaces – grass, clay and hardcourts.⁷⁰

With regard to the capacity of the stadium, TQ advised that this issue was considered at length during the design stage of the project. TQ advised:

With no BI event in place, the stadium primarily constructed with Davis Cup and Fed Cup events potentially attracting the largest crowd numbers. Even if the Australian Women's Hardcourt Championships were relocated from the Gold Coast, the crowd numbers for that event were around 1,800-2,000 maximum per session (which was also limited by the infrastructure available at that venue).

It was thought that [if] a venue with a capacity of around 5,500 people was constructed and crowd numbers ended up on average being around 3,000-4000 people, the venue would still have a really good atmosphere that may be lost in a venue with a capacity of 8,000-10,000 people. In hindsight and with the massive success of the BI event, a venue of around 7,500-8,000 people would have been ideal. Over the last 5-6 years, this event has attracted at least 90,000 people each year and with a record of over 102,000 in 2014 when Roger Federer played at the event for the first time.⁷¹

TQ advised:

Somewhat related to the above are the restrictions placed upon the venue operations by the current Development Approval (DA) and our lease with Stadiums Queensland (SQ). The lease restricts the nature of events that can be held on PRA and the maximum noise levels these events can produce, whilst the DA restricts the operating hours of the venue to 10pm at night. With TQ's lease with SQ requiring us to demonstrate we can operate the venue sustainably from a financial perspective, these restrictions are detrimental to the functions and events aspect of the QTC business being developed to its full potential. This would allow TQ to operate the QTC more sustainably and potentially share any additional profitability with SQ per the conditions of our lease.⁷²

3.2.8 Technical and environmental performance

3.2.8.1 Flood risk mitigation

The QTC was designed and constructed to be generally above the Q100 of 7.9m Australian Height Datum (AHD)⁷³. Areas below this level were designed to be flood resistant by way of removal flood barriers which can be easily installed in the event of an impending flood.⁷⁴

⁷⁰ Submission 2, p 12.

⁷¹ Submission 1, p 3.

⁷² Submission 1, p 3.

⁷³ AHD was adopted by the National Mapping Council in May 1971 as the datum to which all vertical control for mapping is to be referred and is the national vertical/height benchmarking survey reference based on mean (average) sea level.

⁷⁴ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 3.

The 1986 Connell Wagner report noted:

Brisbane River Q100 flood levels in this vicinity are 7.70 to 7.75m AHD. The levels of the site vary from RL 4.1 to RL 11.0. Thus for flood immunity, filling of lower parts of the site to RL 8.0m AHD (ie. Q 100 + 300nm) is indicated.

No Regulation Line (for restricting the location of development along the river) is currently set in this area. However, it is known that these are imminent in the area and will probably be set by mid 1997. Examination of the site levels suggests that a regulation line would probably not be put any further into the site than 15m from the top of the existing river bank.⁷⁵

The STC Project Brief specified:

All functional facilities shall be designed within the State Tennis Centre site to withstand the adverse impact from storms up to a minimum 100 year flood event or such other event as may be required by relevant acts and codes. An analysis of the site and catchments is to be carried out to justify site development levels to the satisfaction of the State.

The site development shall give due regard to surface drainage and sanitary drainage provisions. No ponding of storm water is to occur over any part of the proposed development platforms. Ensure that overland stormwater flows are adequately catered for and are directed away from buildings and courts.

The minimum general surface gradient shall be not less than 1 in 100 on hard surface areas and 1 in 80 on grassed areas. The earthworks platforms and overland flow paths shall take due account of planned ultimate development of the site.⁷⁶

Given the risk associated with flood and to maintain appropriate insurance cover for flooding, a site-specific Flood Emergency Response Plan (FERP) was developed in October 2009 by risk management company Marsh Pty Ltd on behalf of SQ.⁷⁷ The development of the FERP involved a flood risk assessment and identified the building levels compared to the predicted flood levels in the local area. The FERP contains procedures for preparing for and minimising the impact of a flood.⁷⁸

The then Acting Chief Executive of Stadiums Queensland advised the QFCI:

The FERP describes the potential hazard, training and preparation requirements, procedures to be undertaken by key centre staff in the event of a flood and a flood recovery plan. The FERP also contains a copy of the Brisbane City Council Floodwise Property report, Venue Flood Level Plan, a Flood Checklist and a manual for the use of the flood barrier system. The FERP is a general flood response plan relating to flooding at any time and does not contain any specific procedures regarding a potential flood during the Brisbane International tournament event.⁷⁹

⁷⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 79.

⁷⁶ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 483.

⁷⁷ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 19.

⁷⁸ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, pp 4-5.

⁷⁹ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 5.

The mitigation strategies employed in the development of the QTC included the installation of flood walls and flood gates. The then Acting Chief Executive of SQ Mr Ian Whitehead advised the QFCI:

Project documentation for the QTC includes architectural and engineering drawings which detail the arena design including elements relating to flood control. This includes elements such as landscaping and site works, the location of critical infrastructure and the design of the flood wall and flood gates.⁸⁰

The FERP also contains a copy of the Flood Barrier Manual.⁸¹

Figure 11 depicts the flood barriers.

Figure 11: Flood barriers



Source: Extract from Queensland Floods Commission of Inquiry, Exhibit 704, p 2-3.

The performance of the flood barriers during the 2011 floods is discussed further in section 3.9.2.

3.2.9 Access

Mirvac prepared a transport and traffic plan for the development as part of the development application. The plan specifies that during major events:

A majority of spectators arriving and departing the tennis centre during the major event modes will be required to walk from the external public transport nodes.

Whilst the site is closer to the Tennyson Train Station than the Yeerongpilly Station, the services through this station are extremely infrequent, hence the transport plan has focussed on the Yeerongpilly Station in terms of the primary public transport node servicing an event at the tennis centre. This station has services running every 20 - 30 minutes in both directions during the peak periods and the station has significantly greater platform capacity than the Tennyson Station and also has significantly higher standard of pedestrian accessible. It was considered more appropriate to further improve the Yeerongpilly Station than undertake major works at the Tennyson Station, particularly given the limited number of patrons that would use the station due to the limited services.⁸²

⁸⁰ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 3.

⁸¹ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 57.

⁸² Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 97.

Mirvac's proposed plan for pedestrian access from public transport during major events was as follows:

Yeerongpilly Station

Spectators walking to/from the Yeroongpilly [sic] Station will cross Fairfield Road via the pedestrian overpass. Once across Fairfield Road and into the site, spectators will use the pedestrian/bicycle corridor to the tennis centre. This is a distance of approximately 600m which is considered a reasonable walking distance given spectators will be at the centre for a long period for a major event.

The internal road from Fairfield Road to the Tennis Centre has been specifically designed to incorporate a 4.0m pathway to accommodate the pedestrian demands generated by the Tennis centre during major event mode.

It is proposed that signage be installed at the rail station to identify the tennis centre and also to direct patrons along the pedestrian corridor.⁸³

Softstone Street bus set down areas

The pedestrian link from the bus set down facility proposed on the Softstone Street frontage will be via the internal road, which during the major event, will have restricted vehicle access. Pedestrian "milling" areas are to be provided adjacent to the bus set down area to ensure orderly access to the buses post event.⁸⁴

The plan also notes that pedestrian demands generated by the normal operation of the QTC and the residential precinct would not necessitate any additional works.⁸⁵

As part of the development approval, the government approved vehicular, pedestrian and bicycle access through the adjoining ARIS for the STC and Tennyson Reach developments. In 2008, the activities of the ARI were progressively relocated to new facilities at Boggo Road, Coopers Plains, St Lucia and Gatton and the former buildings without heritage value were demolished and removed.⁸⁶

Mr Peisker's statement notes:

The State consulted with Bicycle Queensland about its views on the provision of bicycle access through the TPS and ARIS sites as part of the TPS project. The results were taken into account in developing the transport and access requirements for the TPS.⁸⁷

⁸³ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 97

⁸⁴ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 97

⁸⁵ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 97

⁸⁶ Department of Infrastructure, Local Government and Planning, Yeerongpilly Transit Oriented Development – Detailed Plan of Development, December 2016, p 6.

⁸⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 17.

In 2010, the government initiated consultation for the Yeerongpilly Transit Oriented Development (TOD) on the former ARI site. In 2011, a State Planning Regulatory Provision (SPRP) was approved allowing the development of the South Regional Business Centre (SRBC) for the BCC.⁸⁸ The SRBC is located adjacent to the Yeerongpilly Railway Station and the Rod Laver Footbridge. The TOD incorporated a pedestrian footpath providing a direct route from the train station to the QTC, Ken Fletcher Park and Tennyson Reach. The public park and pedestrian 'spine' were officially opened in October 2018.⁸⁹

3.2.10 Car parking

During major events, parking is restricted on the QTC site and the use of public transport is encouraged.⁹⁰ Ticket holders can travel for free to and from the QTC with TransLink on Queensland Rail trains, Brisbane Transport bus services and TransLink event shuttle buses on event days.⁹¹

Mirvac's transport and traffic plan noted that as major events would only be conducted one to two times per year it would be feasible to incorporate the cost of public transport into the price of the admission ticket giving patrons attending with a pre-purchased ticket access to bus and rail transport at no extra cost.⁹²

The transport and traffic plan also recommends:

... an Information and Communication Plan is prepared by the operator to ensure that attendees for the major events are well informed about the transport arrangements for the events. This may involve newspaper, television and radio advertising. All marketing material should also include information with respect to the transport arrangements. The advertising should include information that:

- *Indicates that no parking will be available on-site (except for residents)*
- *Parking will be banned in surrounding streets for visitors to the tennis centre*
- *Free public transport will be available with a pre-purchased ticket*
- *Location of public transport notes*
- *Information number to contact for details of transport*⁹³

⁸⁸ Department of Infrastructure, Local Government and Planning, Yeerongpilly Transit Oriented Development – Detailed Plan of Development, December 2016, p 6.

⁸⁹ Hon Cameron Dick MP, Minister for State Development, Manufacturing, Infrastructure and Planning and Hon Mark Bailey MP, Minister for Transport and Main Roads, joint ministerial media statement, 'Yeerongpilly Green parks and paths open in time for summer tennis', 26 October 2018.

⁹⁰ Queensland Tennis Centre, 'Find us', <https://www.queenslandtenniscentre.com.au/contact/find-us/>.

⁹¹ Brisbane International, 'Getting there', <https://www.brisbaneinternational.com.au/event-guide/getting-there/>.

⁹² Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 98.

⁹³ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, pp 99-100.

The QTC is located in a BCC regulated parking area. BCC's parking regulations are as follows:

A one-hour parking limit applies to all parking spaces within this area between 7am and 10pm on event days at the Queensland Tennis Centre, unless signed otherwise. Unless there are signs stating otherwise (e.g. No Stopping, Bus Zone, Taxi Zone), all motorists can park in this area for up to one hour. Vehicles that have a valid parking permit are exempt from the area-wide parking time limits, and other signed time limited parking restrictions showing 'RESIDENT PERMITS EXCEPTED'.⁹⁴

Mirvac's development application notes that the minimum parking requirements for the QTC in order to comply with the BCC minimum parking requirements is six spaces per court multiplied by the number of courts (23) equating to 138 spaces. The development application specifies:

The parking supply proposed for the tennis centre includes 138 public parking spaces and 25 secured parking spaces for venue management, equating to a total supply of 163 spaces. The proposed parking supply therefore exceeds the parking requirement of 138 spaces.⁹⁵

TQ advised that the extent of public car parking available on the venue is a significant issue for them:

The only other significant infrastructure issue for the QTC is the extent of public car parking provided at the venue for both year round activities and for major events such as the BI, Davis Cup and Fed Cup events. The public car park has 168 parks, which is adequate for normal day-to-day tennis usage only, however, if there are other activities happening on site, such as any significant functions or events in the Level 3 Function Areas or on PRA, the amount of parking on site is inadequate. TQ and our appointed Functions and Events coordinators have been unsuccessful with attracting many events to the QTC & PRA due to the limited on-site parking spaces available.⁹⁶

3.2.11 Pedestrian safety

As part of the development Mirvac was required to provide funding for construction of an overhead footbridge over Fairfield Road to provide access from the Yeerongpilly Railway Station to a pedestrian walkway. The tennis-themed footbridge was opened in December 2010.⁹⁷ It was officially named the 'Rod Laver Footbridge' in January 2015 prior to the 2015 Brisbane International tournament.⁹⁸ Figure 12 contains images of the footbridge.

⁹⁴ Brisbane City Council, 'Regulations for parking permit areas', <https://www.brisbane.qld.gov.au/traffic-and-transport/parking-in-brisbane/parking-permits/parking-permit-areas/regulations-for-parking-permit-areas#queensland>.

⁹⁵ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 91.

⁹⁶ Submission 1, p 3.

⁹⁷ TransLink, Media Release, 'Yeerongpilly footbridge opens for tennis fans', 20 December 2010.

⁹⁸ Hon Scott Emerson MP, Minister for Transport and Main Roads, ministerial media statement, 'Queensland tennis legend honoured', 9 January 2015.

Figure 12: Rod Laver Footbridge designed by m3architecture



Source: m3architecture, 'Projects', <https://www.m3architecture.com/projects/rod-laver-footbridge/>.

3.2.12 Traffic congestion

With regard to transport and access arrangements, the EOI document required that the STC include:

- *appropriate on-site parking with set-down/pick up areas for limousines, coaches and minibuses, and a taxi rank that is readily accessible and highly visible;*
- *covered access for coaches and taxis;*
- *appropriate on-site parking for private vehicles; and*
- *dedicated road access.*⁹⁹

As part of the planning for the development, Mirvac commissioned traffic studies in the area including daily traffic volume counts and analysis of anticipated traffic distribution.¹⁰⁰

3.2.13 Disability access

The STC Project Brief stated:

The State Tennis Centre and the transport and access infrastructure shall comply with the principles of social justice and equality in their design and construction. Access to all facilities within the State Tennis Centre and the transport and access infrastructure shall meet the requirements of the following:

- *AS 1428.1-2001 Design for access and mobility - General requirements for access – New building work;*
- *AS 1428.2-1992 Design for access and mobility - Enhanced and additional requirements - Buildings and facilities,*
- *Disability Discrimination Act 1992 (Commonwealth),*
- *Disability Services Act 1992, and*
- *Anti-Discrimination Act 1991.*

In particular, the following are to be provided:

- *appropriate facilities for the hearing impaired;*

⁹⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 336.

¹⁰⁰ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 84.

- *non-discriminatory access and seating for people with a disability and their carers; and*
- *barrier free access to public transport infrastructure and services.*

Notwithstanding the above, the particular needs of wheelchair tennis players, which may be in excess of the above requirements (e.g. to accommodate the width of sporting wheelchairs), are to be accommodated in all facilities and areas.¹⁰¹

Mirvac's development application details:

The STC will be designed and constructed to be accessible to all people, including those with disabilities. The complex will comply with the relevant requirements of Australian Standard AS 1428 part 1 and 2, and with reference to the Disability Discrimination Act 1992, the Disability Services Act 1992 and the Anti-Discrimination Act 1991.

Generally there are specific areas that have been identified as crucial to satisfying the needs of patrons with disabilities. These include path of travel, ingress/egress, ticketing, seating accommodation, toilet facilities, food and drink services, and communication systems.

The path of travel will be a continuous accessible path within the STC boundary, from entry points to all designated disabled seating and facilities. In addition, specific provision will be made for wheelchair tennis players.

In general, one percent of the seating capacity will be designed to accommodate people with disabilities - one half will be given to wheelchair spaces, and one half will be given to 'enhanced amenity' seats. All wheelchair seats will have a companion seat located immediately adjacent, and spaces will be evenly distributed around the seating bowl at concourse level.¹⁰²

Figure 13 shows the disability access ramp adjacent to the main entrance.

Figure 13: Disability access ramp



¹⁰¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 442.

¹⁰² Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 64.

The Rod Laver Footbridge, discussed in section 3.2.11 above, incorporates a lift and access for people with mobility issues as the original station access on the eastern side of Fairfield Road was by stairs only.¹⁰³

3.2.14 Security

Mirvac's development application notes:

The clear delineation of the STC masterplan and the ladder arrangement of courts help to create a secure precinct for the whole facility while it is in event mode. The site has naturally secure boundaries to the south and west because of the location of the railway corridor and road. The ARI facility borders the site to the east.

Secure compounds that house temporary overlay facilities (such as sponsor areas, broadcast van space or media centre) will each have its own temporary line of security.

At the centre of the whole precinct is the ticketed event area. This is bordered to the north by turnstiles and the administration pavilion; at the western edge by the west side of the show courts; and at the eastern side by the podium of the centre court.¹⁰⁴

During event days general entry access to the STC is via temporary turnstiles installed immediately adjacent to the pro shop at the western side of the administration pavilion.¹⁰⁵ Figure 14 shows the main entrance where the temporary turnstiles can be installed for major event days. Figure 15 depicts the facilities map for the BI tournament

Figure 14: Main entrance to QTC



¹⁰³ Hon Rachel Nolan MP, Minister for Transport, ministerial media statement, 'Yeerongpilly footbridge gets a super lift', 23 November 2010.

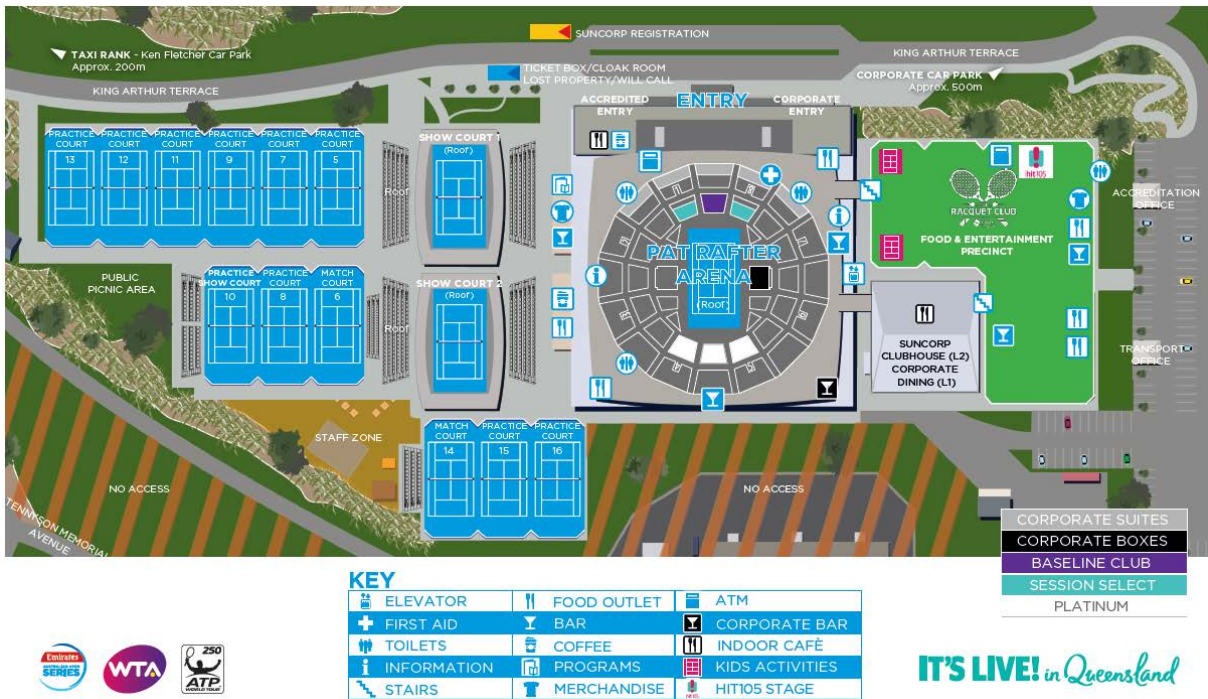
¹⁰⁴ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 70.

¹⁰⁵ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 69.



Source: Tennis Courts map, ‘Queensland Tennis Centre (Brisbane International)’, <https://www.tenniscourtsmap.com/listing/queensland-tennis-centre/>.

Figure 15: BI facilities map



Source: Brisbane International, ‘Map’, <https://www.brisbaneinternational.com.au/tickets/map/>.

3.2.15 Noise and lighting

The stakeholder consultation process undertaken as part of the development proposal revealed the issue of noise and lighting to be of concern to local residents. The stakeholder consultation process is considered further in section 3.5.1.

With regard to noise and other uses of the facility, TQ confirmed that the terms of the development approval and lease agreement with SQ allows for the quiet enjoyment of the residents of Tennyson Reach. TQ confirmed that the QTC is a mainly tennis-specific facility advising:

*We have the capacity to run school formals and we had a truck show on the weekend. We are starting to do a little bit more work in terms of flexibility to host the site, but still noise restrictions apply.*¹⁰⁶

¹⁰⁶ Public hearing transcript, Brisbane, 17 September 2018, p 5.

Mirvac's development application notes:

The STC layout is designed to minimise overshadowing, especially from the centre court. This will promote natural lighting in the indoor environment as well as add to the quality of space outside. The tennis courts will be orientated so that low level sun does not pose a problem to either players or spectators.

Acoustic attenuation between the tennis centre and the residential component of the development will be carefully detailed to minimise the transfer of ambient noise, especially during major events.¹⁰⁷

With regard to lighting, Mirvac's development application notes:

The outer court and show court lighting will be designed to national and international standards and in accordance with AS 2560.2.1 - 2003 and Tennis Australia Technical Instruction - Lighting for outdoor tennis.

Light poles at the court boundary are cantilevered towards the court centre to provide an even distribution of light over the playing surface. Horizontal illuminance will be a minimum 2000 lux at 1.0111 above the playing surface.

Centre court and show court lighting will have the same performance as outside courts, but with the capability to be adapted to TV broadcasting with temporary additional professional colour TV broadcast lighting for tennis. (Colour TV coverage, average maintained vertical illuminance EV; 2000 lux for the main and 1000 lux for secondary cameras.)¹⁰⁸

Lighting of courts are depicted in figures 16 and 17.

Figure 16: Lighting of external courts



¹⁰⁷ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 71.

¹⁰⁸ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part b, 27 September 2011, p 70.



Figure 17: Lighting on the centre court



3.2.16 Committee conclusion

The objective of the work included providing a ‘state-of-the-art’ stand-alone tennis facility of sufficient size, quality and functionality to attract and host national and international standard tennis events in Queensland. The QTC has successfully hosted the Brisbane International tournament for the past 10 years and provided a ‘home’ for tennis in Queensland.

The committee notes the QFCI’s findings regarding the flood risks associated with the site and the suggestion that other sites should have been considered given the inability for other tenderers to submit conforming applications. Whilst the committee is satisfied that steps were taken by both the State and the developer to mitigate the risks associated with the TRD site, it is of the view that the site selection process may have been impacted by the focus on minimising the cost of the project to the State. However, the committee considers that the site is appropriate for this type of facility and the development also transformed what was potentially a hazardous site to be used as a useable community space.

The committee considers that the improvement in flood data availability and accuracy since the QTC was constructed allows for enhanced flood mitigation strategies. The committee also considers the recommendations made by the QFCI should improve the processes relating to future construction in areas which are potentially subject to flooding.

The committee is satisfied that the work is suitable for its purpose.

3.3 Necessity and advisability of the work

The committee sought advice from the development regarding how the need for the work was established. DHPW advised:

*In September 2002, TQ made a proposal to the Queensland Government ... to build a State Tennis Centre on the site. The proposal advised that TQ had sought the assistance of Mirvac as an experienced property developer to consider the analysis and investigations required for the development of a STC on the TPS site.*¹⁰⁹

DHPW advised that any new proposed facility needed to be:

*... of sufficient size, quality and functionality to successfully promote the development of tennis in Queensland and attract and host state, national and international standard tennis events.*¹¹⁰

DHPW also advised that the department worked with TQ to explore alternative options for the STC including the development of a multi-purpose stadium to cover a range of sports.¹¹¹

3.3.1 Timing of the work

DHPW advised of the reasons it was considered necessary to undertake the project at the time included that the absence of suitable facilities meant the considerable potential for hosting national junior and veteran class tennis events could not be realised. DHPW advised:

*This was in contrast with all other mainland capital cities at the time where the tennis sporting infrastructure had benefitted from sustained investment. All other state capitals possessed state tennis centres, with Melbourne and Sydney centres being of world class standard.*¹¹²

3.3.2 Options considered

The issue of site selection covered two aspects – finding a suitable use for the vacant TPS site and the need to find a new home for tennis in Queensland.

3.3.2.1 Tennyson Power Station site

At the time the TPS site was suggested as the location for the new Queensland Tennis Centre, the State had been aware of the potential to develop the TPS site for some time.¹¹³

Mr Peisker's statement to the QFCI stated the Connell Wagner study concluded that:

*The study identified the preferred access to a redeveloped TPS site is from Fairfield Road via the adjoining Animal Research Institute (ARIS) site, although a secondary access to Tennyson Memorial Avenue of Softstone Street will also be required.*¹¹⁴

Mr Peisker also advised the QFCI that the site was identified as an 'intent precinct' in the Stephens District Local Plan released as part of the *Brisbane City Plan 2000*. He advised that the plan noted:

- *Residential development that maximised the use of existing rail access and provided community parkland would be preferred;*

¹⁰⁹ Submission 2, p 14.

¹¹⁰ Submission 2, p 14.

¹¹¹ Submission 2, p 14.

¹¹² Submission 2, p 14.

¹¹³ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 2.

¹¹⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 2.

- *Due to the site's considerable physical constraints non-residential uses with minimal impact on residential areas may be supported; and*
- *Development on the site may not adversely affect water quality of the Brisbane River and must provide public access to the waterfront and a cycle way through the site.*¹¹⁵

3.3.2.2 New Queensland Tennis Centre

DHPW advised the committee that TQ's proposal provided to the government in 2002 incorporated a 22 court facility comprising a centre court with a 4,000 seat show court, six clay courts, parking, clubhouse, tennis pro-shop, tennis hall of fame and TQ administration and offices.¹¹⁶

DHPW advised:

The State conducted preliminary due diligence on the TPS site which indicated it had adequate space to accommodate a new STC based on the concept articulated by TQ.

*On 17 September 2003, Sport and Recreation Queensland officers from DIIESRQ met with TQ to discuss the minimum specifications for the development of a STC. The minimum specifications had been revised to include a centre court with 3,000 permanent covered seats and the ability to provide up to an additional 4,000 temporary seats for major events, 22 match and training courts, with 16 of hardcourt surface, two Davis Cup standard and up to six of the match and training courts to have an alternate surface.*¹¹⁷

Mr Peisker's statement to the QFCI noted:

In 2001, TQ produced a Strategic Facilities Plan aimed at reinvigorating the sport of tennis in Queensland which identified the need for additional tennis courts to be constructed to replace those lost through urban development and the need for a new tennis headquarters.

On 11 June 2002, TQ submitted a proposal to the State for the development of a new state tennis headquarters. Through the proposal, TQ was seeking assistance with the allocation of a four to five hectare site and capital contribution of \$5 million towards the development.

In response, DIIESRQ advised the SRQ would work with TQ to explore alternative options for the State Tennis Centre (STC), including the development of a multipurpose stadium to cover a range of sports.

...

TQ's investigations concluded that the TPS site was the most attractive site to locate a new STC in Brisbane.

On 2 September 2002, TQ wrote to Mirvac Queensland Pty Ltd (Mircvac) advising it granted Mirvac a mandate to operate exclusively with TQ to secure the TPS site and to proceed with all planning acquisition and final development for the Tennyson Precinct Project ...

In September 2002, TQ presented a proposal to the State for a Tennyson Tennis Centre ... The proposal advised that TQ had sought the assistance of Mirvac as an experienced property developer to consider the analysis and investigations required for the development of a STC on the TPS site.

¹¹⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 2.

¹¹⁶ Submission 2, p 14.

¹¹⁷ Submission 2, p 15.

The proposal advised that TQ, Mirvac and Tennis Australia (TA) identified the STC would be a 22 court facility comprising a centre court with a 4,000 seat show court, six clay courts, parking, clubhouse, tennis proshop, tennis hall of fame and TQ administration offices.

The proposal stated that TQ's vision was for a world class facility capable of accommodating the requirements of tennis and TQ while maximising the use of the otherwise constrained TPS site. TQ's analysis noted that tennis courts have the advantage of being able to be built over easements and below the Q100 flood line, thereby maximising site utilisation.

In September 2002, Mirvac developed a concept plan for the Tennyson Tennis Centre comprising an international standard STC and mixed use residential and retail development on the TPS site...

TQ's proposal recommended that the State offer TQ and Mirvac nine months to explore the feasibility of establishing a STC facility on the TPS site and should this prove feasible, Enertrade (which owned the TPS site land on behalf of the State) would sell the site to TQ/Mirvac on agreed terms.¹¹⁸

With regard to the TQ's proposal, Mr Peisker's statement noted:

The State did not support TQ's recommendation to make the TPS site available to TQ and Mirvac. This was because, should the State make land available to the private sector for a development of this nature, it would seek to maximise value for money, minimise risks to the State and secure the best development outcome through a market based competitive bid process. This position was communicated to TQ and Mirvac.¹¹⁹

Mr Peisker advised:

The state conducted preliminary due diligence on the TPS site which indicated it had adequate space to accommodate a new STC based on the concept articulated by TQ but had a number of site constraints including the decommissioned TPS, electricity easements, transport access issues and low lying areas which were subject to flooding.¹²⁰

...

In April 2003, the State established a project management framework to progress consideration of the Tennyson Riverside Development (TRD) involving coordination of the TRD project through a two stage competitive bid process – Stage 1 Expressions of Interest (EOIs) and Stage 2 (Detailed Development Proposals (DDPs)).¹²¹

3.3.3 Committee conclusion

The committee is satisfied that the work was necessary and advisable.

¹¹⁸ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 3-4.

¹¹⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 4.

¹²⁰ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 4.

¹²¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 4.

3.4 Value for money achieved by the work

3.4.1 Budget

DHPW advised the following with regard to the budget for the project as at 31 July 2011.¹²²

Details	Amount
State's total project budget, including land and funding contribution	\$88,392,251
External contributions	\$12,131,545
	\$100,523,796

The EOI invitation document notes that the government's contribution to the project was to be:

*... limited to facilitating the competitive bid process and making the land available for the associated development under appropriate tenure arrangements. It is not intended that the Government will provide any upfront funding contribution to the project.*¹²³

During the negotiation process and prior to the appointment of Mirvac as the preferred proponent, Mirvac advised that it required a financial contribution of approximately \$10 million to increase the commercial viability of the project. The State eventually endorsed a financial offer which included an estimated cost for the STC of \$60 million, a profit share arrangement and 385 residential units.¹²⁴ Additional information regarding the negotiation process is included in section 3.6.

TQ advised that they also provided funding of approximately \$1.3 million towards the provision of the roof on centre court.¹²⁵ TQ also advised that they invested additional funding to enclose two areas on level 3. TQ advised:

*Originally, the Eastern and Western Terraces were designed to be covered patio style areas. However with the advent of the BI and looking at the year round usage of the QTC as a functions venue, the decision was also made by TQ to invest into the enclosure of these two terrace areas with bi-fold doors and air conditioning systems.*¹²⁶

3.4.2 Cost factors

DHPW advised:

*The project was delivered as part of a development agreement which, through the State's contribution of land, significantly reduced the direct cash cost to government and enabled a significant enhancement to the local community's services.*¹²⁷

3.4.2.1 Construction costs

DHPW advised that the QTC was delivered within the budget provided.¹²⁸

¹²² Submission 2, p 9.

¹²³ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 334.

¹²⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 7-8.

¹²⁵ Submission 1, p 2.

¹²⁶ Submission 1, p 2.

¹²⁷ Submission 2, p 15.

¹²⁸ Submission 2, p 16.

3.4.2.2 Operation costs

With regard to revenue produced and recurrent costs, TQ advised:

TQ has created a separate budget area for the management and operations of the QTC. At present, this budget area is producing a modest annual surplus of around \$50,000 for TQ. This is comprised of a total income of around \$750,000 and total expenses of around \$700,000.

The total income is predominantly arrived of the following areas:

- *annual fee received from our Management Agreement with the operator of the day-to-day tennis business that operates at the QTC*
- *the venue hire fee received from Tennis Australia (TA) for the BI and any Davis Cup or Fed Cup events*
- *venue hire from any functions or events held at the QTC throughout the year*
- *court hire of the clay, grass and PRA courts that are outside of the areas managed by our appointed operator*

The total expenses are predominantly incurred in the following areas:

- *venue insurances*
- *grounds staff costs*
- *maintenance and repairs not covered under our lease with SQ**
- *electricity, gas and Urban Utilities costs*
- *cleaning, waste removal, security monitoring / patrol costs*
- *SQ annual lease / rental*

*Note * : under the terms of the lease TQ has with SQ, annual budgets are provided by SQ for the following items:*

- *Preventative / Scheduled Maintenance*
- *Condition Based Maintenance*
- *General / Reactive Maintenance*
- *Capital Works¹²⁹*

TQ advised that the above figures exclude the following:

- *total revenues generated at this facility by our day-to-day operator, which is in the order of \$1.5 to \$1.6 million annually and the expenses they incur to generate this revenue*
- *total revenues generated at this facility by TA from the BI and any Davis Cup or Fed Cup events and the expenses they incur to generate this revenue¹³⁰*

SQ advised that asset maintenance and capital works plans are developed for the QTC on an annual basis by TQ and SQ having regard to SQ's availability of funds.¹³¹

¹²⁹ Submission 1, pp 3-4.

¹³⁰ Submission 1, p 4.

¹³¹ Public hearing transcript, Brisbane, 17 September 2018, p 2.

TQ advised that they are required to manage expenditure for maintenance and capital works within the annual budget provided by SQ. TQ advised that the budget provided for these items varies from year to year based on the available budget allocation provided to SQ for all of their venues. TQ also confirmed that any over-expenditure is borne by TQ.¹³²

3.4.2.3 Cost escalations

DHPW advised:

*Additional capital works for the STC including the requirement for a stadium roof, enclosure and air-conditioning of players' lounge and corporate lounges, upgrade of media room, shade over the two show courts, and glazing and air-conditioning of multi-function space (1/2 court for junior coaching in non-event mode).*¹³³

3.4.3 Advancement of government priorities

DHPW advised:

According to the 2004-05 Annual Report for the DLGPSR, the government's priorities at that time were:

- *Managing urban growth and building Queensland's regions*
- *Improving health care and strengthening services to the community*
- *Delivering responsive government*
- *Protecting our children and enhancing community safety.*

*In particular it was noted in the Annual Report that QTC contributed to the government's priority of improving health care and strengthening services to the community.*¹³⁴

Refer also to section 3.5.5 for additional information regarding compliance with other government policies.

3.4.4 Ensuring value for money was achieved

In regard to the steps taken to ensure that value for money was achieved, DHPW advised:

TQ proposed that a future strategy would be for a building that complemented the broader site for the tennis infrastructure and ideally provided an opportunity to meet the costs of the centre – its courts, the surrounding infrastructure (such as parking), the headquarters of TQ and appropriate landscaping.

Taking on board the recommendations put forward by TQ, the State undertook a two-stage competitive bid process (Stage 1 Expressions of Interest and Stage 2 Detailed Development Proposals) for the design, construction and financing of the STC and the operation of the associated development.

Under the arrangement, the Government made the land available to the private sector for development through a market based competitive bid process to seek value for money, minimise risk to the State and to secure the best development outcome possible.

¹³² Submission 1, p 4.

¹³³ Submission 2, p 16.

¹³⁴ Submission 2, p 16.

*The section of land not used for the STC would be made available to the developer for an associated development project compatible with the tennis centre and surrounding areas. It was envisaged that the developer would use the associated development to provide funding assistance for the construction of the tennis centre.*¹³⁵

DHPW confirmed that a two-stage competitive bid process for the design, construction and financing of the STC and the operation of the associated development was as follows:

- Stage 1 – Expressions of Interest
- Stage 2 – Detailed Development Proposals.¹³⁶

On 26 August 2003, the Cabinet Budget Review Committee (CBRC) approved DIIESRQ undertaking the two-stage competitive bid process to identify a preferred developer for the TRD on the TPS site. Mr Peisker stated:

*CBRC noted a number of issues would need to be resolved during the first stage of the competitive bid process including consultation with BCC, due diligence on the site and consultation with other parties impacted by the proposal. At the same time, CBRC approved the release of the Stage 1 – EOI document.*¹³⁷

On 26 August 2003, the State appointed Minter Ellison as Legal Advisors and Argyle Capital Pty Ltd as the Probity Auditor. Mr Peisker stated:

*A Legal Advisor was sought to provide advice on the development of the TRD documentation and process, to conduct a vendor's due diligence and assist with a risk assessment for the process.*¹³⁸

And:

*The Probity Auditor was engaged to ensure the competitive bid process was conducted in an appropriate and transparent manner, including development of a probity plan and guidelines, provision of regular probity reports and provision of final probity report on the competitive bid process.*¹³⁹

With regard to the governance arrangements put in place, Mr Peisker stated:

*On 29 October 2003, the State established governance arrangements for the TRD including a project timetable, probity plan and Chief Executive Officer Steering Committee (Steering Committee) to oversight the project and provide the necessary approvals. The Steering Committee comprised representatives of DIIESRQ (Chair), QT and DPC.*¹⁴⁰

¹³⁵ Submission 2, p 14

¹³⁶ Submission 2, p 15.

¹³⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 5.

¹³⁸ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 5.

¹³⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 5.

¹⁴⁰ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 5.

The EOI document was released in October 2003.¹⁴¹ Mr Peisker advised:

*Interested parties were invited to submit a proposal for the design, construction and financing of the TRD and the operation of the associated development, which could include infrastructure such as residential accommodation, commercial, recreational and sporting, food and beverage, transport or supporting retail facilities. The document stated that the successful proponent will need to obtain all required planning approvals for the project.*¹⁴²

Further information regarding the procurement and evaluation methods is included in section 3.6.

DHPW advised that the written down value of the QTC as at 30 June 2017 was \$84.1 million and the total replacement value was \$122.6 million for buildings and land improvements.¹⁴³

The department advised that the value of the QTC compares favourably to comparison facilities including Skilled Park (now Cbus Super Stadium) at \$150 million and Metricon Stadium at \$144 million.¹⁴⁴

3.4.5 Project budget, budget analysis, revenue and funding sources

DHPW advised that the total budget for the project contributed by the State was \$88.392 million, which included the State's land and funding contribution. DHPW advised:

*That is split into \$49.537 million, which was the value of the land, and the funding contribution was \$38.855 million. In addition, there were external contributions of \$12 million received towards the project.*¹⁴⁵

Mr Peisker's statement noted:

*On 25 March 2004, Currie and Brown provided a report commissioned by DIIESRQ on the State Tennis Centre Project ... The report provided an independent review of the STC cost estimates and design and functionality issues.*¹⁴⁶

¹⁴¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 5.

¹⁴² Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 5.

¹⁴³ Submission 2, p 16.

¹⁴⁴ Submission 2, p 16.

¹⁴⁵ Public hearing transcript, Brisbane, 17 September 2018, p 4.

¹⁴⁶ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 14.

The Currie and Brown report summarises the cost estimate of the STC to be as follows:¹⁴⁷

Site works	1,970,000
Site decontamination	100,000
Car park and adjoining Area	3,950,000
Driveway	275,000
Plaza level	12,500,000
Facilities and administration building	4,700,000
Centre court grandstand	4,500,000
Tennis courts	2,900,000
Builders preliminaries and profit	5,165,000
Contingency	3,615,000
Escalation to August 2005	3,250,000
Sub total	42,925,000
Furniture, fittings and equipment	2,500,000
Sub total	45,425,000
Professional fees	5,000,000
Artwork	900,000
	470,000
Sub total	51,795,000
GST	5,179,500
Total project cost	56,974,500

The estimate excludes the following items:

- Works external to the site boundary
- Site decontamination beyond the defined \$100,000 allowance nominated
- Piling
- Staging/Phasing Costs
- Items excluded from the Project Services indicative cost estimate dated 3 March 2004.¹⁴⁸

The Currie and Brown report also notes:

*In their communication dated 3 March 2004, Project Services were projecting a Gross Project Cost of \$51,194,000. This cost was built up in a different manner from the methodology employed by Currie & Brown and consequently it is not possible to undertake a detailed comparison to identify areas of difference.*¹⁴⁹

3.4.6 Cost escalations

Cost escalations within the original specification were borne by the developer, Mirvac. However, the changes in scope were financed by TQ. Refer section 2.3.2 for further detail.

¹⁴⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 748.

¹⁴⁸ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 748.

¹⁴⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 748.

3.4.7 Committee conclusion

The committee is satisfied that the work was reasonable value for money.

3.5 Public value of the work, including the impact of the work on the community, economy and environment

3.5.1 Community

The project development agreement required that the developer undertake community consultation throughout the project and a community consultation strategy was prepared.¹⁵⁰

The communication strategy required the developer to undertake the following communication activities to consult, promote and position the TRD:

- Targeted communication (including elected representatives and departmental briefings, letters and meetings with identified stakeholders, letters and meetings with residents, and a consultation report containing analysis of feedback and comment).
- Mass distribution communication (including media articles, TRD newsletter, project web site, open days, feedback forms, 1300 information line and construction communication).¹⁵¹

The communication strategy identified the following stakeholder issues:

- Traffic (including construction traffic routes; subcontractor parking; timing of Fairfield Road intersection; increased traffic on streets; impact of buses on the local area on event days; 'parking out' of local residential streets; potential apathy of tennis patrons use of public transport; opposition to changed access arrangements in Ortive Street and Paragon Street; opposition to route through the northern side of the ARI; concern from Brisbane Golf Club regarding potential misuse of their car park by STC patrons)
- Visual impact (including concern about height of buildings and their impact on the visual amenity of the area; visual impact of lighting towers; impact to current sight lines to the Brisbane River for selected properties; impact of light spill on surrounding properties)
- Noise (including construction noise and operating hours; impact of spectator noise on surrounding properties; impact of noise on surrounding properties during normal operation such as hiring of courts, coaching, weekly fixtures etc; impact of early morning and evening use)
- Other (including construction dust; concern about litter generated by users of the STC being dropped in local streets; comparison to a Suncorp Stadium style stadium through media or community opposition; infrastructure and consultation process sensitivity in the local area due to large projects such as BCC's Green Bridge)¹⁵²

DHPW advised:

In November 2005, as part of its community consultation strategy, Mirvac and its public relations consultant, Promedia hosted focus group sessions with local residents and stakeholders about the development. This provided local residents and businesses the opportunity to receive information on, and ask questions about, the development and the planning approval process.

*SRQ part of the then DIIESRQ and DLGPSR met with the Tennyson Residents Association on a number of occasions to provide updates and receive feedback on the impacts of the project on the local community.*¹⁵³

¹⁵⁰ Submission 2, p 119.

¹⁵¹ Submission 2, pp 121-123.

¹⁵² Submission 2, pp 124-125.

¹⁵³ Submission 2, p 17.

With regard to the committee's questions regarding the popularity of tennis in the community, TQ advised that tennis is becoming more popular by virtue of the fact that it is a sport that can be played for a lifetime. TQ advised that participation rates for those over the age of 45 are increasing. TQ advised:

*Importantly, tennis is the No. 2 sport in the world globally behind soccer, which is an interesting stat we have been able to uncover. We think our competition is more the lifestyle, the walking, the swimming and the cycling, the things that are easily accessible. As far as the individual sports go, I think we are quite healthy.*¹⁵⁴

TQ also advised:

*Tennis is a sport for all Australians that has a strong history of community engagement and participation in Queensland. As a sport, tennis provides equal opportunities for boys and girls, people of all ages, backgrounds, and abilities to engage in an active and healthy lifestyle in a supportive and social environment.*¹⁵⁵

3.5.2 Cultural heritage

With regard to Aboriginal heritage of the site, the 1996 Connell Wagner land use study found:

*... no specific archaeological record has been recorded for the study area. However, the relationship of the Tennyson ridge line with local swamps and water holes of known significance would strongly suggest that the area would have been an important part of the living focus of local Aboriginal groups. Since non-indigenous settlement, the impact of various land use activities have been so severe that the chances of the archaeological record surviving are predictively very low to nil.*¹⁵⁶

3.5.3 Economy

DHPW advised:

*The provision of an international sporting facility allows for the attraction of major sporting events and delivers economic growth associated with hosting international athletes and competitions. An economic analysis of the QTC project has not been located.*¹⁵⁷

TQ advised that the development of QTC has had a significant impact on tennis in Queensland stating:

The introduction of the Brisbane International event has brought some of the best players in the world to Brisbane to show-case our sport and inspire the next generation of professional players to one day take their place in this event. This is something that a price or value really can't be placed upon. The best example of inspiring the next generation of professional players is Ashleigh Barty, an emerging talent on the WTA Tour who hails from the Ipswich area. Her game has developed and benefited from the quality of the facilities available to her and other National Academy athletes based at the QTC.

¹⁵⁴ Public hearing transcript, Brisbane, 17 September 2018, p 4.

¹⁵⁵ Tennis Queensland, correspondence dated 24 September 2018, p 4.

¹⁵⁶ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 52.

¹⁵⁷ Submission 2, p 17.

*Where there was a perception tennis was on the decline in terms of popularity and participation, prior to the development of the QTC, however it has actually been a stimulant for a revitalisation of our sport. This is reflected in the significant increase in registered player and participation numbers over the last 10 years in Queensland and Brisbane. It has also stimulated significant upgrades and expansions of many other tennis facilities in Brisbane and statewide to meet community demand for quality tennis facilities.*¹⁵⁸

In response to the committee's questions regarding the economic impact of the development of the QTC, TQ advised:

The QTC indeed is a showpiece for tennis in Queensland. It has fostered the development of a number of current and former Queensland players competing on the world stage, provides health and wellbeing options to the local and wider community, combines a major sporting facility with the quiet enjoyment of local residents, has launched the career and brand of the Brisbane International (BI) – a now revered event on the world tennis calendar, provided many an opportunity for the kids of Queensland to play at the 'home of Queensland tennis', inspired many to pick up a racquet and play and has been the benchmark for which other purpose built tennis infrastructure across Australia and indeed the world have been constructed.

*The QTC has well and truly re-established tennis in Queensland – it has demonstrated its capability to perform on the world stage; continues to leverage its brand, its major events and the role model tennis players it has produced to usher in another generation of tennis players; all whilst providing an outlet for the community to play at – the QTC is a destination.*¹⁵⁹

TQ advised that the BI is Queensland's leading annual international event and a key lead-in event to the Australian Open. As an example of audience levels, TQ advised:

In 2018, 67 hours of Brisbane International (BI) tennis were aired across Australia via host broadcaster Channel Seven whilst a further 11 associative networks broadcast to 228 more countries around the globe. 75 members of the international media covered the tournament throughout the week, whilst over 100,000 fans engaged with the event via social media further extending the reach of the eight days of tennis.

*Between 90-100,000 fans travel to the QTC each year to be part of the live action throughout the week of the event. The BI gives locals and visitors a unique opportunity to see the likes of Rafael Nadal, Roger Federer, Serena Williams, Maria Sharapova, Nick Kyrgios and more superstars of world tennis on an intimate stage.*¹⁶⁰

TQ provided data on the direct and incremental expenditure by patrons during the BI since 2011. This data is included in Table 2 below.

¹⁵⁸ Submission 1, pp 4-5.

¹⁵⁹ Tennis Queensland, correspondence dated 24 September 2018, p 2.

¹⁶⁰ Tennis Queensland, correspondence dated 24 September 2018, p 2.

Table 2: Direct and incremental expenditure by patrons to the BI between 2011 and 2018

Year	Attendance	Room nights in QLD	Overnight visitor expenditure	Direct & incremental expenditure
2018	90252	31715	\$ 5,398,569.00	\$ 10,163,686.00
2017	96107	33579	\$ 6,309,636.00	\$ 9,893,420.00
2016	99338	35689	\$ 7,435,388.00	\$ 3,963,893.00
2015	100329	43258	\$ 10,594,879.00	\$ 7,071,586.00
2014	105730	32126	\$ 6,700,000.00	\$ 4,100,000.00
2013	88135	26987	\$ 3,720,000.00	\$ 3,250,000.00
2012	44726	28082	\$ 3,810,000.00	\$ 3,330,000.00
2011	27732	25752	\$ 3,710,000.00	\$ 3,180,000.00
TOTAL	564214	230201	\$ 47,678,472.00	\$ 44,952,585.00

Source: Tennis Queensland, correspondence dated 24 September 2018, p 3.

In addition, TQ provided data on a compilation snapshot of national and state championship events hosted at the QTC between 2013 and 2018. This data is included in Table 3 below.

Table 3: Economic value of QTC events between 2013 and 2018

QTC Major Events					
	Economic Value	Years	Competitors	Total Visitors	Classification
QTC Pro Tour	\$ 804,739.60	3	463	2695	Australian Pro Tour
Rod Laver	\$ 4,284,751.00	5	3338	3526	Australian Junior Tour
Rod Laver Lead-In	\$ 2,857,423.80	4	2249	2413	Australian Junior Tour
Brisbane Age	\$ 1,685,536.20	4	1385	1368	Australian Junior Tour
QLD Open	\$ 1,319,581.60	5	1195	1148	Australian Money Tour
QLD Junior Teams	\$ 3,234,215.20	4	1495	1454	Queensland Teams
Tennyson Classic	\$ 1,690,671.40	4	1532	1485	Australian Junior and Money Tour
TOTAL	\$ 15,876,918.80				

Source: Tennis Queensland, correspondence dated 24 September 2018, p 3.

3.5.4 Environment

The STC Project Brief stated:

Environmental best management practices shall be employed to ensure environmental obligations of the State and its representative agencies are maintained in the development and delivery of the State Tennis Centre. Ecologically sustainable development principles, as outlined in this section, are to be adopted in the development and delivery of the State Tennis Centre.

*A suitably qualified, accredited and experienced environmental specialist shall undertake the necessary environmental assessments, management and compliance of all works relating to the planning, design, documentation, statutory approvals, construction, training and commissioning of the State Tennis Centre.*¹⁶¹

The developer was required to undertake a detailed environmental impact assessment (EIA) of the STC area as part of the overall development of the TRD and external infrastructure requirements. This EIA was to include any native title issue or claims, cultural heritage issues, traffic and transportation studies and site contamination.¹⁶²

¹⁶¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 487.

¹⁶² Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 488.

Mirvac's development application incorporated detailed vegetation and landscape plans and the fauna assessment report. The development application notes that the development complied with the Biodiversity Code, Wetland Code and Waterway Code.¹⁶³

3.5.4.1 Site contamination

As noted in section 3.2.3, site contamination was an issue for the TPS site. The competitive bid documentation noted:

*As a consequence of its former industrial use, part of the site is currently on the Environmental Management Register. Enertrade has undertaken significant remediation activities and the Government does not intend to further remediate the site. The developer will be required to remediate any contamination on the site to required standards at its cost.*¹⁶⁴

With regard to contaminated areas, the STC Project Brief stated:

Any areas or development activities involving contaminated materials shall be specifically addressed, including management plans, management controls and procedures, approvals and disposal arrangements to control containment, removal, remediation and/or rehabilitation of contaminants as appropriate.

*Any retention of contaminated materials on the designated State Tennis Centre area shall be subject to the approval of the State should complete remediation or removal not be viable.*¹⁶⁵

DHPW advised:

*The STC project involved the remediation of the TPS site that was previously an unused power station site that required extensive decontamination works and which restored the TPS site for use as a major sporting facility and modern residential precinct.*¹⁶⁶

3.5.4.2 Environmental sustainability

In terms of environmentally sustainable design features, DHPW advised:

*The QTC is a purpose-built facility that has incorporated many features to enhance the experience and use of the facility.*¹⁶⁷

The roof design is a translucent, glass fibre, lightweight fabric which acts as a parasol for protection from the sun and an umbrella for protection from rain. The roof sits above the seating allowing for cross ventilation.¹⁶⁸

¹⁶³ Brisbane City Council, *Application No A001638640 – Applicant Assessment Report – Planning*, 11 April 2006, p 3.

¹⁶⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 383.

¹⁶⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 488.

¹⁶⁶ Submission 2, p 18.

¹⁶⁷ Submission 2, p 18.

¹⁶⁸ WSP, 'Projects', <https://www.wsp.com/en-AU/projects/queensland-tennis-centre#Services>.

3.5.5 Compliance with other government policies

At the time the STC was developed, the government required compliance with a number of policies. The STC Project Brief stated:¹⁶⁹

The State Tennis Centre works shall comply with the following Queensland Government policies:

- *Art Built In Policy;*
- *State Government Building and Construction Contracts - Structured Training Policy (10% Training Policy);*
- *Queensland Code of Practice for the Building and Construction Industry; and*
- *Local Industry Policy.*

Consistent with the smoking policy of the Queensland Government, the State Tennis Centre is to be a smoke-free venue. Appropriate provision, including signage, is required to allow smoking within dedicated areas of the centre to reduce exposure to passive smoking.

The developer and all subconsultants, services subcontractors and significant building subcontractors shall be third party certified to ISO 9001:2000 Quality management systems - Requirements.

A Quality Plan shall be prepared and maintained to the satisfaction of the State, which shall comply with the requirements of the standard.¹⁷⁰

Consideration of the various policies are discussed in the following sections.

3.5.5.1 Local Industry Policy

DHPW confirmed that the TRD-DA required Mirvac, as the developer, to comply with the Local Industry Policy¹⁷¹ as part of its development of the STC.¹⁷²

3.5.5.2 Queensland Government Building and Construction Training Policy

DHPW advised that the Building and Construction Training Policy was not in place at the time the QTC was constructed as it applies from 1 July 2014. However, the department confirmed that the TRD-DA required Mirvac to ensure the builders and subcontractors require that apprentices and trainees were employed for the minimum number of hours.¹⁷³

3.5.5.3 Fire safety

The government also required fire safety to be in accordance with the requirements of the *Building Act 1975*, Statutory Fire Codes and the Queensland Fire and Rescue Service (QFRS). It also required the preparation of a fire safety strategy document covering all aspects of fire safety, fire fighting and building management including fire strategy drawings demonstrating compliance with relevant regulations. Direct links for emergency evacuations were required between the fire alarm monitoring system and the QFRS.¹⁷⁴

¹⁶⁹ Note website addresses removed from the following quote

¹⁷⁰ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 443.

¹⁷¹ The Local Industry Policy was replaced by the Queensland Charter for Local Content.

¹⁷² Submission 2, p 18.

¹⁷³ Submission 2, p 18.

¹⁷⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 473-474.

In addition to the requirements in the *Building Act 1975*, the government also required a microprocessor based addressable fire detection and alarm system to serve the entire STC site. The government also required that fire hose reels be located in all positions as required by QFRS, notwithstanding concessions available within the *Building Act 1975* and all external fire hose reels were to be key locked with a master key approved by QFRS.¹⁷⁵

3.5.6 Committee conclusion

The committee is satisfied that the work has had a positive impact on the community, the economy and the environment.

3.6 Procurement methods for the work

As noted in section 3.4.4, the government agreed upon a two stage competitive bid process. The procurement and assessment methods are considered below.

3.6.1 Procurement method

The Queensland Government invited EOIs from the private sector for the development of the STC and associated development on the TPS site. The invitation document notes that the government was undertaking a competitive bid process to facilitate the project seeking EOI proposals for the design, construction and financing and the operation of the associated development.¹⁷⁶

In regard to project objectives, the EOI invitation document notes that in pursuing the TRD the government was seeking innovative private sector proposals to:

- *Ensure the redevelopment of the Tennyson Power Station site integrates with the surrounding areas and infrastructure;*
- *Provide a stand-alone State Tennis Centre, with the capability of hosting International-standard events;*
- *Provide and operate associated development on the site compatible with the efficient and effective operation of the State Tennis Centre;*
- *Develop the site in a manner which maximises the state's financial returns while minimising the risks to the state; and*
- *Ensure the State Tennis Centre is developed either before or in conjunction with the associated development.*¹⁷⁷

The BCC Development Application identified that the proposed tenure arrangements for the site would include that the site be contained within a reserve and separate freehold lots created for the STC and the residential development. The residential development was to be subdivided progressively as part of a community title scheme. The public river park was to be progressively dedicated to the Crown in conjunction with the staged completion of the residential stages and adjacent pedestrian/cycle path and park embellishments.¹⁷⁸

¹⁷⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 474.

¹⁷⁶ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 332.

¹⁷⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 333.

¹⁷⁸ Queensland Floods Commission of Inquiry, Exhibit number 633 – Statement of Rory Kelly 1st statement Part a, 27 September 2011, p 130.

Under the proposed arrangement:

... the Government made the land available to the private sector for development through a market based competitive bid process to seek value for money, minimise risk to the State and to secure the best development outcome possible.

The section of land not used for the STC would be made available to the developer for an associated development project compatible with the tennis centre and surrounding areas. It was envisaged that the developer would use the associated development to provide funding assistance for the construction of the tennis centre.¹⁷⁹

On 3 October 2003, the Queensland government announced the TRD project and invited submissions for an EOI proposal for the design, construction and financing of the TRD and the operation of the associated development, closing on 14 November 2003. Seven EOI proposals were received as follows:

- Walker Corporation Pty Ltd (Walker)
- Citta Property Group, Babcock and Brown Pty Ltd and Abigroup Limited (Citta Property Group)
- Stockland Development Pty Ltd, Barclay Mowlem, Next Generation Clubs Australia Pty Ltd and Pat Rafter (Project Champion) (Stockland)
- Lend Lease Development Pty Ltd (Lend Lease)
- Ariadne Australia Ltd, Watpac Limited and Abacus Property Group (Ariadne)
- Devine Limited, ABN AMRO and Multiplex (Devine)
- Mirvac Queensland Pty Limited (Mircvac).¹⁸⁰

On 27 June 2005, the government announced Mirvac as the preferred developer for the TRD comprising the STC, transport and access infrastructure and associated development of the TPS site. The associated development was to include approximately 385 high-quality residential apartments and a gymnasium, to be developed by Mirvac on a staged basis between 2008 and 2011. The land for the associated development was to be made available under appropriate tenure arrangements to Mirvac.¹⁸¹

DHPW advised that the Mirvac DPP underwent a technical review and evaluated against the following criteria:

- total development and operational concept
- transport and access arrangements
- project management and resources
- financial capability and project feasibility
- impacts on the State.¹⁸²

The financial capacity assessment was undertaken by the Queensland Treasury Corporation.¹⁸³

¹⁷⁹ Submission 2, p 15.

¹⁸⁰ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 361.

¹⁸¹ Queensland Floods Commission of Inquiry, Exhibit number 713 – State Approvals team Tennyson Riverside Development Terms of Reference October 2005, 4 October 2011, p 2.

¹⁸² Submission 2, p 19.

¹⁸³ Submission 2, p 19.

The TRD Development Agreement sets out the tenure arrangements necessary to carry out and complete the project.¹⁸⁴

The development of the STC was governed by two contractual agreements: the Development Agreement and the Early Works Agreement. The Early Works Agreement involved the demolition of the TPS building and remediation of the site. The demolition work did not require development approval as it was either exempt or self-assessable State works under the *Integrated Planning Act 1997*. The State appointed Mirvac as its contractor for the demolition stage.¹⁸⁵

The State appointed Mirvac to the TRD under the Development Agreement. Mirvac was responsible for the provision of all transport and access infrastructure necessary to support the TRD with the exception of a pedestrian overpass to the Yeerongpilly Railway Station which was managed by Queensland Rail.¹⁸⁶

In relation to why the particular method was selected, DHPW advised that the particular procurement method was used:

*... to seek a value for money outcome, minimise the risks to the State and to secure the best development outcome through a market based competitive bid process.*¹⁸⁷

3.6.2 Evaluation of Stage 1 EOI proposals and Stage 2 Detailed Development Proposals

3.6.2.1 Stage 1 EOI proposals

Mr Peisker was chair of the TRD Project Office Evaluation Committee (Evaluation Committee). The Evaluation Committee completed its evaluation of the Stage 1 EOIs on 25 November 2003.¹⁸⁸

The EOI evaluation report notes:

The TRD Evaluation Committee evaluated the EOI proposals using the evaluation criteria and weightings previously endorsed by the TRD Steering Committee to determine the proponents' capability and experience to deliver the project. The Evaluation Committee also received specialist advice from two sub-committees, Technical Issues (Department of Public Works, Project Services) and Financial Analysis (Queensland Treasury Corporation).

The EOI proposals were generally of a high quality with proposed concepts for the associated development component of the project complementing the State Tennis Centre using a mix of residential and commercial facilities. Two EOI proposals, submitted by Walker Corporation Pty Ltd and Lend Lease Development Pty Ltd, were considered non-conforming and were not subject to further evaluation.

The Stockland and Mirvac proposals were considered the leading proposals with the Stockland proposal being marginally superior to that submitted by Mirvac. The next ranked proponent was Devine. All conforming proposals, with the exception of Ariadne, met the requirements of each evaluation criteria. Ariadne did not fully satisfy the operator experience and expertise criterion.

¹⁸⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 537 - 539.

¹⁸⁵ Queensland Floods Commission of Inquiry, Exhibit number 713 – State Approvals team Tennyson Riverside Development Terms of Reference October 2005, 4 October 2011, p 2.

¹⁸⁶ Queensland Floods Commission of Inquiry, Exhibit number 713 – State Approvals team Tennyson Riverside Development Terms of Reference October 2005, 4 October 2011, p 2.

¹⁸⁷ Submission 2, p 19.

¹⁸⁸ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 6.

The Stockland development and operational concept exceeded the Government's minimum scope and facility requirements for the State Tennis Centre by including the opportunity for a multi-sport and entertainment venue as the home of Queensland tennis and potentially the Brisbane Bullets. While the additional development may have commercial benefits, Project Services noted this concept raised issues about shared use of facilities, the capacity of the site to host regular basketball games and acceptability to the local community.

The Stockland and Citta Property Group proposals involve private sector operation of the State Tennis Centre, while taking into account Tennis Queensland's interests and requirements. As the EOI document was silent on the operation of the State Tennis Centre, the Evaluation Committee noted these proponents may elect to alter their proposals or withdraw from the competitive bid process in the event the Queensland Government confirmed it will own the State Tennis Centre and appoint Tennis Queensland as the operator.¹⁸⁹

Figure 18 details the evaluation criteria and their respective weightings used by the Evaluation Committee.

Figure 18: Evaluation of EOI proposals

Criteria	Weighting (%)
Total development and operational concept	25
Development experience and expertise	25
Operator experience and expertise	15
Financial capability	25
Project management structure and resources	10
Total	100

The scoring system for each criterion, which reflects the quality of responses and the level of compliance, is:

Score	Description
5	Exceeds requirements
4	Meets requirements
3	Meets requirements except for minor aspects
2	Does not meet requirements but may be adaptable
1	Major non-compliance with requirements

Source: Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 364.

Figure 19 details the evaluation committee's overall assessment of the conforming EOI proposals.

¹⁸⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 361.

Figure 19: Overall assessment of EOI proposals

Ranked Proponent	Evaluation Criteria (Weighted Scores)					Total Score
	Development Concept 25%	Development Experience 25%	Operator Experience 15%	Financial Capacity 25%	Project Management 10%	
1. Stockland	25	20	12	20	8	85
2. Mirvac	25	20	9	20	8	82
3. Devine Limited	15	20	9	20	8	72
4. Citta Property Group	15	15	9	20	8	67
5. Ariadne Australia	15	15	6	20	6	62

Source: Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 368.

The evaluation report also identified that a number of the proposals indicated access to the site may be required through the adjoining ARI site. The evaluation committee recommended that CBRC clarify the government's position on the following issues prior to announcing the shortlisted proponents for Stage 2 of the project:

- the opportunity for access through the ARIS
- ownership and operational arrangements for the STC
- the scope and functional activities of the STC, particularly whether multisport and entertainment activities could be conducted on a regular basis.¹⁹⁰

The evaluation committee recommended three proponents – Devine, Mirvac and Stockland – be shortlisted and invited to prepare Stage 2 DDPs. CBRC approved the three proponents as recommended by the evaluation committee on 16 December 2003. The decision was announced on 8 January 2004.¹⁹¹

3.6.2.2 *Stage 2 Detailed Development Proposals*

The Stage 2 DDP process commenced in May 2004 when CBRC approved the competitive bid process which included release of the request for DDPs, the Development Agreement and the State Tennis Centre Project Brief that detailed the State's requirements for the STC to the three shortlisted proponents.¹⁹²

¹⁹⁰ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 362.

¹⁹¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 6.

¹⁹² Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 6.

The request for DDPs document provided an overview of the project, including the government's project objectives, the process and timeframes for selection of a preferred developer. The document also noted that the development would be subject to environmental, planning, building and regulatory requirements of the Commonwealth, the State and BCC and the developer would be responsible for obtaining all necessary approvals for the project.¹⁹³

The competitive bid process document articulates the government's requirements for the project included that:

- the TRD be delivered fully at the developer's cost, including all costs associated with the design, construction and financing of the project.
- The developer was responsible for the development of a transport strategy and plan for the STC and the provision and financing of all infrastructure, including the transport and access infrastructure, necessary for the TRD.
- The State did not intend to provide any upfront funding contribution to the project.
- The State intended to own the infrastructure and land for the STC and land for the associated development was to be made available under appropriate tenure arrangements to the developer.
- The State intended to appoint TQ to operate the STC and the scope of activities was to be primarily focused on tennis and while non-tennis activities may occur on an infrequent basis to enhance the utilisation of the facility, such activities were not to adversely impact on the amenity of the local community or TQ's activities.
- The State approved vehicular, pedestrian and bicycle access through the adjoining ARI site. However, it was not intended that the ARI site be used for anything other than this access.¹⁹⁴

The government also required the developer to:

- *remediate any site contamination to standards required by the appropriate authorities;*
- *provide and install all furniture, equipment and fit-out required to commission and operate the State Tennis Centre (with the exception of the Tennis Queensland State Office);*
- *provide good accessibility for emergency and private vehicles, coaches and service vehicles, adequate bus/coach set-down areas and traffic queuing facilities at entrances;*
- *provide buffers to residential areas against break-out noise from events and traffic movements;*
- *provide public access to the Brisbane River frontage;*
- *resolve any native title and cultural heritage requirements; and*
- *satisfy all environmental issues.*¹⁹⁵

¹⁹³ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 6.

¹⁹⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 380.

¹⁹⁵ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 380.

On 23 August 2004, the evaluation committee received DDPs from the three proponents shortlisted during the Stage 1 EOI process – Devine, Mirvac and Stockland – as part of the Stage 2 TRD competitive bid process.¹⁹⁶

The Stage 2 Evaluation of Detailed Development Proposals document stated:

The Evaluation Committee found that the Mirvac DDP has a number of key strengths including:

- *an open design for the centre court to capture the sub-tropical environment of Brisbane;*
- *a counter-sunk centre court to increase the visible amenity of the development and enhance spectator viewing and allow for bump-in of alternative court surfaces for major events;*
- *an effective layout for an international-standard STC, with a centre court that provides for 3,000 permanent and 4,000 temporary seats and an additional 22 match and training courts covering hardcourt, clay and grass surfaces;*
- *high quality associated development, which includes residential units and commercial facilities such as cafés, retail outlets and a separate gymnasium (intended for unit residents only) to make the development an attractive precinct;*
- *community access to the Brisbane River through the inclusion of pedestrian and bicycle pathways and public parkland;*
- *a positive value for money outcome for the State with the gross value to the State estimated at \$81.8 million compared to the value to Mirvac of \$13.03 million (noting these figures are not risk adjusted and are subject to finalisation of negotiations on the Development Agreement with Mirvac); and*
- *a financial offer to the State including a balance payment (up to \$24.25 million) and a profit sharing arrangement (of \$10.7 million assuming 4.5% revenue and 3% cost escalation).*

However, the Evaluation Committee also found a number of weaknesses and areas where the DDP does not satisfy the Stage 2 requirements. These include:

- *Mirvac's site plan involves the location of four tennis courts, a maintenance shed and large trees on easements, which is unacceptable to ENERGEX and Powerlink for safety, reliability of supply and access reasons;*
- *Mirvac has not used the access corridor identified by the State on the ARI site, and has located the STC car parking in the access corridor identified by the State;*
- *there are potentially adverse impacts on court playability and television broadcasting of centre court matches due to shadows cast from the centre court roof and trellis structures;*
- *there are concerns the location of the venue management facilities will not allow optimal operation of the STC in normal mode;*
- *inadequate information has been provided on a number of key STC requirements including temporary seating, methodology for construction, testing and commissioning of the tennis courts and essential building services such as fire and telecommunications;*

¹⁹⁶ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 662.

- *Mirvac has said it will not provide the 12-year warranties for the hard courts as requested in the STC Project Brief;*
- *Mirvac's transport plan is inadequate and the access arrangements to Yeerongpilly Rail Station are not Disability Discrimination Act (DDA) compliant;*
- *Mirvac has requested the establishment of a State Project Team to assist in facilitating project approvals in a timely manner;*
- *Mirvac is seeking approval to undertake early works ahead of satisfying the conditions precedent to bring forward the completion of the STC from May 2009 to May 2008 (based on execution of a Development Agreement in December 2004);*
- *Mirvac as proposed that there be a staged settlement with titles to the associated development being transferred to it based on the level of commitment in the STC and transport and access works;*
- *Mirvac has sought to cap the target costs for the STC and associated transport and access works, with final target costs not to be determined until the completion of detailed design, engineering drawings and detailed specifications, and with any costs above the target cost to be deducted from the balance payment to the State;*
- *Mirvac has estimated lifecycle costs of \$7.8 million over a 20 year period, which is significantly lower than Project Services' assessment of \$28.3 million over the same period (noting it is difficult to draw definitive conclusions on this matter until details are provided by Mirvac on the quality and finishes of materials); and*
- *Mirvac sought over 70 departures to the Development Agreement, many of which significantly shift the risk profile of the project to the State.¹⁹⁷*

Figure 20 details the evaluation criteria and their respective weightings used by the evaluation committee to assess the Stage 2 DDP.

¹⁹⁷ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 662-663.

Figure 20: Evaluation of DDP stage 2 proposals

Criteria	Weighting (%)
Total development and operational concept	30
Transport and access arrangements	10
Project management and resources	15
Financial capability and project feasibility	25
Impacts on the State	20
Total	100

The scoring system for each criterion, which reflects the quality of responses and the level of compliance, is:

Score	Description
9-10	Excellent – exceeds required standards
7-8	Very Good – meets required standards
5-6	Good – meets required standards except for minor aspects
3-4	Marginal – does not meet required standards but may be adaptable
1-2	Poor – major non-compliance with required standards
0	Non-compliant

Source: Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 666.

The evaluation committee's overall assessment of the Mirvac DDP is summarised in figure 21.

Figure 21: Assessment summary – DDP stage 2

Evaluation Criteria (Weighted Scores)						
	Development Concept	Transport and Access	Project Management	Financial Capability	Impacts on the State	Total Score
Mirvac	17.1	4.4	7.35	17.5	7.2	53.55
Weighting	30	10	15	25	20	100

Source: Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 674.

Mr Peisker advised the QFCI:

The Evaluation Committee found two of the proposals were non-conforming and could not be assessed. Both proponents proposed associated development on the TPS site and location of the STC on alternate sites – Devine on the Goprint site at Woolloongabba and Stockland on the ARIS site.

A preliminary review of Mirvac's DDP by the Evaluation Committee found that it was conforming on the basis it offered a STC and associated development predominantly on the TPS site and could be assessed against the Stage 2 documents. Detailed evaluation by the Evaluation Committee concluded that Mirvac could not be appointed preferred proponent based on its DDP, however its DDP was capable of being adapted to be an effective proposal if a number of threshold issues were addressed.¹⁹⁸

The evaluation committee report states:

The Evaluation Committee also found that while Mirvac will be required to address a number of deficiencies, the State may need to consider varying some of its project requirements to maximise the chances of a successful outcome and securing this landmark development, including an international-standard STC for Queensland.

The Evaluation Committee considers that if the State wishes to progress Mirvac's DDP to identify whether it can be appointed preferred proponent and subsequently preferred developer, the following approach should be adopted:

- 1. Representatives of the State to meet with representatives of Mirvac to discuss the evaluating outcomes and the process for progressing consideration of Mirvac's DDP;*
- 2. Mirvac to be provided with a paper outlining the outcome of the evaluation of its DDP, any changes proposed by the State to facilitate the project and changes Mirvac would need to make to its DDP in order to be appointed preferred proponent;*
- 3. the State and Mirvac to agree on an approach to negotiating the terms of the Development Agreement to reflect an acceptable risk profile for both parties;*
- 4. a Project Team to be established, chaired by SRQ, to advise Mirvac on project approval and infrastructure requirements, but with the clear understanding that Mirvac would be required to obtain all approvals; and*
- 5. the negotiation process to be subject to oversight by the Probity Auditor and the TRD Project Office to have access to specialist advisers for what would be a complex negotiation process.¹⁹⁹*

3.6.2.3 Agreed departures from original development proposal

The final agreement was subject to negotiation between the government and Mirvac.

The QFCI final report states:

Mirvac's bid was not without problems, however; it sought a number of departures from the draft development agreement, including:

- locating some of the project infrastructure over easements, due to the tight fit of the site*
- locating some of the tennis courts below the 1 in 100 flood level.*

The Queensland Government entered negotiations with Mirvac to determine whether its proposal could be altered sufficiently to meet the minimum requirements for the project as contained in the Queensland Government's project brief and draft development agreement.

¹⁹⁸ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 7.

¹⁹⁹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 664.

During these negotiations, Mirvac advised that it required a financial contribution of \$10 million from the Queensland Government to increase the commercial viability of the project. This represented a significant departure from the original project requirement of no cost delivery to government; however, the State agreed to the request. At no stage was serious consideration given to locating the project elsewhere. On 16 June 2005, Mirvac was appointed as the preferred developer for the Tennyson Reach development.²⁰⁰

Mr Peisker stated:

On 21 December 2004, DIIESRQ wrote to Mirvac ... to outline the outcomes of the evaluation process and a proposed negotiation process to determine whether Mirvac could be appointed preferred proponent and subsequently preferred developer for the TRD. The letter advised that Mirvac could not be appointed preferred proponent for the TRD based on its DDP as a number of Stage 2 requirements were not met. The letter sought Mirvac's commitment to meet a number of threshold issues. These included a commitment to redesign its site plan to ensure the six training courts were constructed above the 1:100 year flood level and appropriate flood mitigation measures were implemented in the design of the centre court.

On 13 January 2005, Mirvac wrote to SRQ ... to advise it was willing to negotiate the threshold issues identified by the State through its DDP evaluation. These included site layout and flooding risk, the design and seating capacity requirements for the STC, tennis court warranties, transport and access arrangements and project timing and approvals.

On 29 April 2005, Mirvac submitted its revised DDP. In doing so, Mirvac advised it was not prepared to manage all cost risks associated with the STC and transport and access works and sought a mechanism to share these risks with the State.

On 3 May 2005, the Evaluation Committee completed a preliminary evaluation of Mirvac's revised DDP. In this evaluation Mirvac scored strongly on the STC, transport and access and project management elements but lower on impacts on the State.

Through these negotiations, Mirvac verbally advised the State that its sensitivity analysis showed that it required a financial contribution from the State of around \$10 million to increase the commercial viability of the project. Independent analysis was undertaken by the Queensland Treasury Corporation in relation to this request.

On 13 May 2005, the State wrote to Mirvac advising that it was prepared to consider the financial assistance to be paid at the time of completion of the STC. SRQ also advised that if the financial position of the TRD is more favourable than the Mirvac forecast, the State would expect its contribution be reduced accordingly.

On 20 May 2005, Mirvac wrote to the State advising that its Board of Directors had endorsed a financial offer for the TRD which included an estimated cost for the STC of \$60 million, a profit share arrangement and 385 residential units representing an increase of 67 units from Mirvac's original DDP.

On 16 June 2005, DLGPSR wrote to Mirvac to advise it had been appointed preferred developer for the TRD. This was subject to a number of conditions with regard to financial contributions, meeting the State Tennis Centre Project Brief requirements and ensuring that the TRD Development Agreement were finalised for execution by 29 July 2005.²⁰¹

²⁰⁰ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, pp 191-192.

²⁰¹ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, pp 7-8.

A copy of the threshold issues are contained in Appendix F. Mirvac's response, which indicated their willingness to enter into negotiations with a view to agreeing a revised application, but included the following comments:

- *The need for parties to work together cooperatively and collaboratively in a climate of trust and goodwill, respecting and accommodating one another's perspectives, rights, constraints and interests*

...

- *Allocation of risk between the parties must recognise commercial reality as well as the State's needs;*
- *The discretion that the State proposes to allow itself, to reject the development once Council and State approvals are known makes the project commercially unviable. No honest developer, committed to the project, could accept this risk;*

...

- *The Tennis Courts bank guarantee requirement is well beyond normal commercial requirements and unnecessary.*²⁰²

Mirvac provided a revised DDP in April 2005 and in June 2005 the department wrote to Mirvac advising of its appointment as preferred developer subject to the following conditions:

- *the State's financial contribution to the TRD will be \$10 million, capped, payable to Mirvac upon completion of the State Tennis Centre (STC);*
- *the State's total contribution to Mirvac's Goods and Services Tax liability for the TRD will not exceed \$6 million and will be paid progressively as residential unit sales occur;*
- *the profit share arrangement will commence upon completion of the TRD at Mirvac's internal rate of return shown in its letter of 20 May 2005 (17.5 percent) and will be on the basis the State receives the first \$10 million and the State and Mirvac share in additional profits above that on a 50/50 basis;*
- *that no further financial claims be made on the State, apart from State requested variations to the State Tennis Centre specifications;*
- *that Mirvac continues to make the necessary resources available to finalise a development agreement and early works agreement, for execution no later than 29 July 2005. To achieve this timeline, these documents will need to be completed and all the necessary plans and drawings supplied to and endorsed by the State by no later than 8 July 2005.*²⁰³

²⁰² Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 722.

²⁰³ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 724.

As part of the negotiation process, Mirvac advised that locating the training courts at the 1:100 year flood level would require the courts to be constructed above a car park which would expose the clay courts in particular to wind impacts, increase construction costs and impact the visual amenity of the STC. Mr Peisker advised:

Following further consultation with TQ, the State agreed for the STC training courts to be located above the 1:20 year level subject to Mirvac contributing up front the amount representing the cost of the additional risk to the State of the courts being located at this level. Based on specialist advice, this contribution was determined to be \$166,000.²⁰⁴

The Development Agreement and the Early Works Agreement were executed on 29 September 2005.²⁰⁵

3.6.3 Committee conclusion

The committee is satisfied that the procurement method was suitable.

3.7 Balance of public and private sector involvement in the works

Under the terms of the development agreement for the TRD, the State was required to establish a State Approvals Team to provide assistance in facilitating the approval process if requested by Mirvac. Whilst the development agreement placed the responsibility on Mirvac to obtain project approvals, the State Approvals Team was established to provide assistance in identifying and ensuring the timely delivery of required approvals.²⁰⁶

3.7.1 Committee conclusion

The committee is satisfied with the balance of public and private sector involvement in the work.

3.8 Performance of the constructing authority and consultants and contractors for the works

In relation to the committee's questions about the performance of consultants and contractors, DHPW advised that Mirvac was primarily responsible for both the selection and appointment of consultants and the information and communication technology (ICT) procurement arrangements during the construction of the project. As such, DHPW was unable to provide any advice in relation to performance of the selected consultants and contractors.²⁰⁷

However, DHPW did note that the developer delivered the project on time and within the adjusted budget.²⁰⁸

²⁰⁴ Queensland Floods Commission of Inquiry, Exhibit number 707 – Statement of Timothy Peisker with annexures, 4 October 2011, p 14.

²⁰⁵ Queensland Floods Commission of Inquiry, Exhibit number 713 – State Approvals team Tennyson Riverside Development Terms of Reference October 2005, 4 October 2011, p 9

²⁰⁶ Queensland Floods Commission of Inquiry, Exhibit number 713 – State Approvals team Tennyson Riverside Development Terms of Reference October 2005, 4 October 2011, p 3.

²⁰⁷ Submission 2, p 19.

²⁰⁸ Submission 2, p 20.

TQ advised that, from their perspective, the whole process relating to the design and construction of the QTC was very consultative:

*All parties, including the state government Public Works Department representatives, the contractor and their consultants as well as TQ representatives generally worked very well together to develop the design and specifications and oversee the construction process to ensure a world-class tennis facility was the outcome. This was due to the relatively unique nature of this project and the significant expertise held by TQ representatives in the design and construction of tennis facilities.*²⁰⁹

However, whilst acknowledging that a two year time frame for demolition, design and construction of a unique facility was not unrealistic or excessive, TQ noted that there were time pressures towards the end of the construction process in order to ensure the centre was finished in time for the inaugural Brisbane International event in January 2009, and some minor additional and remedial works were completed in the weeks after the event.²¹⁰

3.8.1 Committee conclusion

The committee was satisfied that the work was completed according to specifications, with minor modifications, and was delivered on-time, within budget and contractual obligations were met.

3.9 Post occupancy developments and issues

3.9.1 Post occupancy alterations

DHPW advised that that post occupancy alterations made to the QTC involved changes to some of the tennis courts. In September 2016, the number of grass courts was reduced from two to one and the number of clay courts increased from four to five to better reflect user demand. DHPW advised:

*This change was requested by TQ in May 2016, approved by SQ in July 2016 and works were carried out to convert the court from grass to clay in September 2016.*²¹¹

3.9.2 2011 floods

DHPW confirmed that QTC suffered extensive damage to the level 1 facilities, centre court and the clay and grass courts during the January 2011 flood event. DHPW advised:

*Project Services, Department of Public Works was engaged by Stadiums Queensland to project manage the refurbishment of QTC. Mirvac was engaged as the Managing Contractor for the refurbishment works which reached practical completion on 30 November 2011, noting that the Brisbane International tennis tournament was scheduled to run from 1 January 2012 to 8 January 2012.*²¹²

TQ advised:

*Whilst the January 2011 flood event in Brisbane had a major impact on the QTC that necessitated a significant rebuild of the Level 1 spaces, it also provided a timely opportunity to address some of these off-court infrastructure shortcomings during the rebuild process. This rebuild allowed scope for the Level 1 areas to be re-designed and expanded to meet these bodies controlling the men's and women's professional world tennis tour events.*²¹³

²⁰⁹ Submission 1, p 5.

²¹⁰ Submission 1, p 5.

²¹¹ Submission 2, p 8.

²¹² Submission 2, p 13.

²¹³ Submission 1, p 2.

The parts of the QTC that were inundated with flood waters during the flood event were:

- all of level 1 of the PRA building to a depth of approximately three to four metres to the underside of the Level 2 podium slab. Rooms on Level 1 that were inundated include: change rooms, gymnasium, doping room, maintenance workshop, communication room, store rooms, cleaners' room, chemical store, maintenance office, centre court, lower tier of the arena seating, tournament control, multi-purpose room, two lifts, main refrigeration plant room, undercroft areas and various amenities;
- lower level grass courts (x 2) and clay courts (x 4)
- podium level hard courts (x 9)
- car park
- grounds maintenance shed and compound
- pump shed.²¹⁴

Appendix E contains photographs of flood damage.²¹⁵

The QFCI was advised that the property damage at QTC caused by flood waters totalled approximately \$6 million and damage caused by the flood waters included:

- all electrical services including the external switchboard in the eastern car park, hydraulic services, mechanical Services, refrigeration, fire services, communication systems, security system, IT infrastructure, irrigation system and two lifts
- all level 1 finishes including partitions, doors, walls, ceilings, carpets, tiles;
- all level 1 fittings, fixtures and equipment including furniture, gym equipment, tennis equipment, grounds maintenance equipment, audio equipment, IT equipment and communications equipment.²¹⁶

Mr Whitehead's statement to the QFCI also noted:

Although the flood barriers were installed prior to the flood, water initially entered the facility by way of backflow from the river via the facility's drainage network before ultimately flowing over the flood barriers. The flood barriers were constructed to a height of 8.6m AHD, 700mm above the Q100 level (7.9m AHD). The flood reached a level of 9.1m across the site.²¹⁷

Mr Whitehead advised the QFCI that, for insurance purposes, SQ engaged the services of a quantity surveyor to detail the damages throughout the QTC.²¹⁸

²¹⁴ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 5.

²¹⁵ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 6.

²¹⁶ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 6.

²¹⁷ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 6.

²¹⁸ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 6.

In the aftermath of the flood, the QTC was immediately closed and all tenants vacated the centre. The clean-up process commenced as soon as the flood water receded. The clean-up involved a number of contractors and approximately 20 to 30 QBuild staff and took approximately three weeks. The clean-up phase cost approximately \$750,000. Following cleaning of the court surfaces and testing for biological contaminants, the outdoor hard courts, TQ officers, UQ Sport Pro Shop and court hire services reopened for public use on 7 February 2011.²¹⁹

With regard to additional mitigation works proposed to protect the QTC, Mr Whitehead advised the QFCI:

*Measures will be taken during the reconstruction of the damaged areas of the QTC to assist in mitigating the potential damage from future flood events. These measures include the protection of electrical switchboards by raising above the flood level or bunding their enclosures, the construction of new partitions with flood resilient materials such as concrete blockwork and moisture resistant wall linings and the use of tiles and painted membrane floor finishes. The air conditioning plant will be raised to the extent possible to provide a greater level of flood resistance. Amendments will also be made to the FERP regarding procedures for a greater extent of relocation of furniture and equipment to higher levels of the centre in the event of a major flood.*²²⁰

SQ also advised that following the floods the opportunity was taken to make enhancements to back-of-house infrastructure for the BI as part of repairing flood damage. SQ advised that these enhancements were in response to the growth in standing of the BI as a lead-in tournament to the Australian Open tennis tournament.²²¹

Mitigation strategies incorporated into the repairs to the QTC included:

- *the potential damage by future flooding has been minimised by using flood tolerant materials where applicable and are cost effective;*
- *services infrastructure being installed above the current 1:50 year flood level, where allowable;*
- *lockers and loose furniture being removable in the event of a flood;*
- *Multi-Purpose Rooms being designed for a 1:20 year flood event and are separated from the player's facilities by an existing 1:100 year flood wall. New door openings have also been protected by flood gates; and*
- *QTC updating its Flood Emergency Response Plan in response to the January 2011 Flood Event.*²²²

However, SQ confirmed that, in the event of another Q100 flood, large sections of the site would flood including grass and clay court areas and multipurpose rooms outside the 'one-in-100 years flood wall'. SQ also confirmed that the centre's insurers are aware of that and SQ would undertake mitigation strategies in accordance with their flood emergency plan to mitigate damage and to be able to recover the site quickly.²²³

²¹⁹ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 7.

²²⁰ Queensland Floods Commission of Inquiry, Exhibit number 703 – Statement of Ian Whitehead with annexures, 4 October 2011, p 8.

²²¹ Public hearing transcript, Brisbane, 17 September 2018, p 2.

²²² Submission 2, p 13.

²²³ Public hearing transcript, Brisbane, 17 September 2018, p 3.

Mirvac had initially proposed to construct an additional three residential apartment buildings on the site. However, in June 2011, Mirvac sold the remaining land to the BCC for use as riverside parkland.²²⁴ Mirvac advised the QFCI:

Prior to January 2011 Mirvac had not received the level of interest in apartments in its Farringford apartment building, particularly in the six months up until December 2010, that it had expected and had approximately 50 unsold luxury apartments in its possession at January 2011.

The prospect of building a further 200 luxury apartments at that site was challenging in these circumstances.

The flood event compounded these difficulties. Mirvac realised that further development of the site would not be economically viable for a number of years. Furthermore, Mirvac would incur extensive holding costs if it chose to wait for the market to improve, and it faced uncertainty as the development controls that would be imposed on the land in the wake of the flood.

In these circumstances, Mirvac faced a decision to sell the site to a third party or sell the land to Council for parkland. The latter option was preferred because it would increase the value of Mirvac's unsold apartments in the existing buildings and was also in the interests of the existing apartment owners.

Mirvac did not receive advice from the Brisbane City Council in forming its decision.

*Mirvac did not consult the State of Queensland regarding this decision.*²²⁵

The transaction between BCC and Mirvac was the subject of an investigation and report by the Queensland Ombudsman. BCC reached an agreement with Mirvac to purchase the fully completed high-quality parkland, designed and constructed by Mirvac, for a total of \$15 million subject to conditions.²²⁶ The Queensland Ombudsman found that the transactions were reasonable, BCC took reasonable steps to achieve value for money, and BCC took reasonable steps during the procurement and contracting process.²²⁷

The development approval process was considered by the QFCI and in its final report the QFCI noted that:

*Good decision-making in development assessment for land susceptible to flooding relies on decision-makers' having access to accurate data.*²²⁸

The QFCI noted that there are instances where development applications contain more accurate information and it makes sense to use this information.²²⁹ However, the report notes:

To ensure that the Tennyson Reach proposal met the flooding and drainage requirements of the Brisbane planning scheme, the flooding and stormwater reports were reviewed by a hydraulic engineer from the technical specialist team. The engineer's review identified three issues requiring the provision of further information from the developer: the 'flood immunity' of access roads, overland flow easements and underground drainage requirements.

²²⁴ Queensland Floods Commission of Inquiry, Statement of Brett Draffen, 19 August 2011, p 2.

²²⁵ Queensland Floods Commission of Inquiry, Statement of Brett Draffen, 19 August 2011, p 16.

²²⁶ Queensland Ombudsman, *Investigation of Brisbane City Council's Tennyson Reach Parkland Transactions*, February 2013, p 8.

²²⁷ Queensland Ombudsman, *Investigation of Brisbane City Council's Tennyson Reach Parkland Transactions*, February 2013, pp iii-iv.

²²⁸ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 192.

²²⁹ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 194.

A senior town planner of the Brisbane City Council gave evidence that, in his experience, the engineer's advice was, in effect, an implied statement that all flooding issues, other than the three referred to, had been adequately addressed. He confirmed that he proceeded on that assumption. Assessment managers would not, he said, usually deviate from an engineer's advice; any matters about which the engineers remained silent would not be further considered in the assessment process.

The Commission does not find that the engineer failed to consider any relevant issue. The point to be made is that proceeding on assumption is problematic. An assessment manager might assume that all hydraulic matters have been considered and dismissed in the absence of advice to the contrary, whereas there may in fact have been a failure to consider them at all.²³⁰

The QFCI identified that communication between individuals of different professional disciplines was a feature in the STC development approval process. The final report states:

Communication between individuals of different professional disciplines was also a feature of Mirvac's subsequent request to change the development permit for a material change of use that was granted on 9 October 2006 for the State Tennis Centre. The request sought approval for the construction of additional storage rooms and a new multi-purpose room at the tennis centre. Plans submitted in support of the application indicated that flood barriers would be incorporated along the door openings of the rooms.

The proposed change was referred to the principal engineering officer in the development assessment team (not the technical specialist team), who advised that the proposed change to the existing development approval would not affect the previously set engineering conditions.

A week later, the council architect responsible for reviewing the proposal gave his advice, expressing concerns as to how the barriers would operate in terms of flooding, and requesting that the issue be referred to hydraulic engineers for comment. The architect's concerns were referred to the developer, which provided further information about the flood barriers. However, the senior town planner indicated that he did not know whether the architect's concerns had been forwarded to the council's hydraulic engineers for comment; he could not find any document on the file which suggested that this had occurred.²³¹

The QFCI noted that councils should implement a process to ensure communication between professional disciplines. In order to improve council assessment processes, the QFCI recommended councils should review their assessment processes to ensure that:

- *the person with primary responsibility for the assessment of the development application considers what expert input is required*
- *where a development application is subject to comment by a number of professionals, the responsibilities and accountability of each contributor are clear*
- *where flood-related information is referred to an expert for advice, the expert is required to comment on the extent of compliance by reference to each relevant assessment criteria and identify and explain any inability to comment.²³²*

²³⁰ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 198.

²³¹ Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 198.

²³² Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 199.

3.9.3 Future developments

The committee sought information from the department regarding future development on the site. SQ advised that since 2014, TQ has been working with TA and SQ on a master plan to accommodate potential future growth of the BI. SQ advised:

A 1.108 hectare parcel of land adjoining the Queensland Tennis Centre on its eastern side has been set aside from the state government's Yeerongpilly Green development for possible future expansion of the tennis centre. Any future major asset enhancement at the tennis centre utilising this additional land would require state government funding.²³³

DHPW advised:

TQ completed a masterplan in late 2016 for this area and aspires to expand the existing assets to include a second indoor arena to accommodate future growth associated with the Brisbane International event.

There is current consideration by Stadiums Queensland for the expansion of QTC to include a new arena of approximately 3,000 seats capacity. This expansion could include the transfer of a parcel of land to the east of the QTC site.²³⁴

The anticipated costs of these future developments were not provided.

Figure 22 contains plans for the proposed Yeerongpilly TOD included in the detailed development plan in December 2016. The area for the potential QTC expansion is indicated in yellow (item 15), and item 16 identifies the Rod Laver Footbridge. Item 7 indicates the pedestrian walkway from Yeerongpilly Railway Station to the QTC.

Figure 22: Yeerongpilly TOD development plan map



Source: Department of Infrastructure, Local Government and Planning, Yeerongpilly Transit Oriented Development – Detailed Plan of Development, December 2016, p 23.

²³³ Public hearing transcript, Brisbane, 17 September 2018, p 2.

²³⁴ Submission 2, p 13.

TQ confirmed that they are:

... working through the QTC master plan with Stadiums Queensland on what the Pat Rafter Arena expansion might look like and what a community link to the Yeerongpilly Green development might look like and we are investigating the viability of a second roofed arena.²³⁵

TQ also noted:

Whilst the roof over PRA largely protects the court playing surface from wet weather, it doesn't protect all spectators from being impacted by wet weather. With rainfall accompanied by even a light breeze will see spectators in the upper areas of the grandstands on the prevailing breeze side getting wet by this rain. The current QTC master planning process is looking at ways to better weatherproof spectators in PRA from the impacts of such weather. This process is also investigating the feasibility of increasing the seating capacity of PRA to 7,500 people as well as the possibility of constructed [sic] a second covered stadium court with a capacity of around 2,500 people.²³⁶

With regard to ongoing expenditure, TQ advised:

The QTC is now approaching being 10 years old and as a result, the level of maintenance required to this venue is increasing. This is starting to put pressure on the budget allocations for the Condition Based and General/Reactive Maintenance areas in particular. The recent development of other new facilities, such as the new cycling track at Chandler, the new State Netball Centre at Nathan and the new stadium in Townsville for the Cowboys have had a noticeable impact on the funds available for SQ to invest in Capital Works and improvements at the QTC in recent years.²³⁷

In April 2018 DHPW established the Stadium Taskforce to review the pricing and practices of SQ. The Stadium Taskforce delivered its final report in November 2018. The report noted:

To increase the viability of the Queensland Tennis Centre, Tennis Queensland is seeking to host additional, non-tennis events at the venue.

The lease between SQ and Tennis Queensland reflects the terms of the Queensland Government agreement with Mirvac to protect the amenity of the residential development adjacent to the Queensland Tennis Centre and built as part of the Queensland Tennis Centre's Public-Private-Partnership approach. Under the lease are conditions that do not allow the venue to specifically host rock concerts and regular non-tennis events.

The Queensland Tennis Centre was developed as part of the Tennyson Riverside Development with residential properties immediately adjacent. It is understood that the lease conditions mirrored the State's development agreement with Mirvac, which were established to limit the impact of the Queensland Tennis Centre on the Mirvac development.

The open aired design of the Queensland Tennis Centre would not likely be suitable to rock concerts but is suitable to host other types of non-tennis and low-impact events. Noting this, Tennis Queensland should pursue other compatible venue uses to help increase utilisation and viability within the parameters of the existing Development Agreement.²³⁸

²³⁵ Public hearing transcript, Brisbane, 17 September 2018, p 2.

²³⁶ Submission 1, p 3.

²³⁷ Submission 1, p 4.

²³⁸ Stadium Taskforce, *Stadium Taskforce Report*, November 2018, p 144.

The taskforce found that the QTC is in very good condition with no significant asset replacement works required (outside of planned court surfaces), for at least 10 years. The taskforce recommended:

*Any expansion or upgrade of the Queensland Tennis Centre should be carefully considered by Stadiums Queensland and the Queensland Government in alignment with the proposed stadium decision making framework.*²³⁹

3.9.4 Committee conclusion

The committee noted that a number of key changes occurred to the development subsequent to the 2011 floods including:

- updated FERP
- improved water resistant materials

The committee is of the view that, whilst the QTC suffered significant damage during the 2011 flood event, mitigation strategies enabled a reasonable recovery timeframe and improvements were subsequently incorporated into the facility.

The committee considers that lessons learnt from the floods have been acted upon and will contribute to a reduced risk to the facilities in the long term.

The committee noted the inconsistency between TQ's comments regarding the increasing costs of maintenance and the Stadiums Taskforce report findings. The committee is of the view that maintenance and any expansion plans need to be negotiated between TQ and SQ in order to achieve an equitable balance between the needs of both parties.

²³⁹ Stadium Taskforce, *Stadium Taskforce Report*, November 2018, p 145.

Appendix A – Detailed questions asked of the Department of Housing and Public Works



Transport and Public Works Committee

Public works inquiry into the Queensland Tennis Centre

INTRODUCTION

The list below outlines information the committee needs to complete its inquiry and which should be included in the submission. The list is not intended to restrict comments on other pertinent matters.

GENERAL-

- 1) Provide a description of the work including:
 - a) the location
 - b) the site
 - c) the existing facilities
 - d) an overview of the functions/uses of the centre, including those proposed at the commencement of the project and any changes that have occurred subsequently
 - e) an overview of the work undertaken as part of the project
 - f) Detailed Budget, including funding from all sources, for the project
- 2) Provide copies of:
 - a) the Department's Asset Strategic Plan
 - b) the project feasibility study and the business case for the project
 - c) the Project Brief
 - d) the Project Evaluation Report
 - e) the site plans
- 3) Provide an outline of the major project time-frames and detail actual compared to projected time frames.
- 4) Provide a list of the major consultants and contractors for the project.

A) THE PURPOSE OF THE WORK

- 5) What is the purpose of the work?
- 6) How does the project align with the Department's Asset Strategic Plan?
- 7) How did the project contribute to the Department's service delivery strategy?

B) THE SUITABILITY OF THE WORK FOR ITS PURPOSE

- 8) What are the functional requirements of the Queensland Tennis Centre?
- 9) How is the work be suitable for its purpose in terms of:
 - a) location and site
 - b) size/scale
 - c) functional performance (eg. functional spaces, space allocations, space groupings and their functional relationships, quality and standards of the design and construction, circulation, access, safety, and security, and general planning and design)
 - d) technical and environmental performance (eg. heating and cooling, lighting, plumbing and electrical provisions, materials, information technology provisions, equipment).
 - e) Were any issues identified with regard to the site and what plans were put in place to mitigate these issues
 - f) Have issues with the site subsequently been identified and how have these been mitigated
- 10) What consideration, if any, has been given to future development on the site?

C) THE NECESSITY FOR, AND THE ADVISABILITY OF, THE WORK

- 11) Why was the work necessary?
- 12) How was the need for the work established?
- 13) Why was it necessary to undertake the project at the time?
- 14) What options were considered?
- 15) Why was the selected option the best one?

D) VALUE FOR MONEY ACHIEVED, BY THE WORK

- 16) What steps did the department take to ensure that value for money was achieved with the project?
- 17) How does the project represent value for money in terms of:
 - a) cost factors, including whole-of-life costs and transaction costs
 - b) non-cost factors such as fitness for purpose and quality, and
 - c) the advancement of government priorities.
- 18) Provide benchmark comparisons of (a) construction costs and (b) operating costs of the centre with other, similar projects.

E) THE COST OF AND RECURRENT COSTS OF THE WORK

- 19) What is the whole-of-life Net Present Value Cost for the project?
- 20) Provide a copy of the project budget – this should be detailed, not a summary.
- 21) Provide a copy of the budget analysis for the project showing the budget outlays (both capital and recurrent), the revenues (if any) and the funding source(s) (including details of any financial arrangements).
- 22) Provide details of any cost escalation, and the reasons for any increase.
- 23) Provide a final comparative budget detailing actual against projected costs.

F) THE PUBLIC VALUE OF THE WORK, INCLUDING THE IMPACT OF THE WORK ON THE COMMUNITY, ECONOMY AND ENVIRONMENT

Impact of the work on the community

- 24) What consultation was undertaken when planning the project?
- 25) What are the social impacts associated with the project?
- 26) What strategies and options did the department develop to deal with significant social impacts of the project?
- 27) Provide a copy of the analysis of the social impacts of the project.

Impact of the work on the economy:

- 28) How did the work impact on the economy?
- 29) Provide and copy of the economic analysis of the project including:
 - a) the cost/benefit or cost effectiveness analysis, and
 - b) the whole-of-life Net Present Value or whole-of-life Net Present Value Cost for the project.
- 30) Local Industry Policy
 - a) Did the project comply with the Government's 'Queensland Charter for Local Content'?
- 31) Did the project comply with the Queensland Government Building and Construction Training Policy?

Impact of the work on the environment:

- 32) Provide a copy of the environmental analysis for the project.
- 33) Environmental issues:
 - a) Are there any significant environmental issues associated with the project?
 - b) If there are any significant environmental issues, what was or is being done to address them?
- 34) What environmentally sustainable design features have been incorporated into the development?

G) PROCUREMENT METHODS FOR THE WORK

- 35) Provide details of the procurement strategy for the project including:
 - a) The method used
 - b) The selection criteria
 - c) Who tendered
 - d) What they tendered
 - e) Who was selected.
- 36) Why was the particular procurement system selected and what makes it preferable to other delivery options?
- 37) Outline the approach taken to the selection and appointment of consultants for the project.
- 38) Outline the approach taken to ITC procurement for the project.

H) THE BALANCE OF PUBLIC AND PRIVATE SECTOR INVOLVEMENT IN THE WORK

- 39) What work did the public sector and the private sector undertake?
- 40) Provide an estimated cost breakdown of work by the public and private sectors.
- 41) What criteria was used when deciding whether work should be undertaken by the private or public sector?

I) THE PERFORMANCE OF THE CONSTRUCTING AUTHORITY AND THE CONSULTANTS AND CONTRACTORS FOR THE WORK

- 42) Is the department satisfied with the work of each of the consultants and contractors?
- 43) Was the work completed:
 - a) according to specifications?
 - b) on time and within budget?
 - c) in accordance with contractual obligations?

Appendix B – Submitters

Sub #	Submitter
001	Tennis Queensland
002	Department of Housing and Public Works

Appendix C – Witnesses at public briefing/hearing held on 17 September 2019

Department of Housing and Public Works

- Graham Atkins, Deputy Director-General, Building Policy and Asset Management

Stadiums Queensland

- Todd Harris, Chief Executive
- David Spencer, Group Executive, Asset Management

Tennis Queensland

- Mark Handley, Chief Executive Officer
- Michael Blomer, Facilities Development Manager

Appendix D – Photos of the project

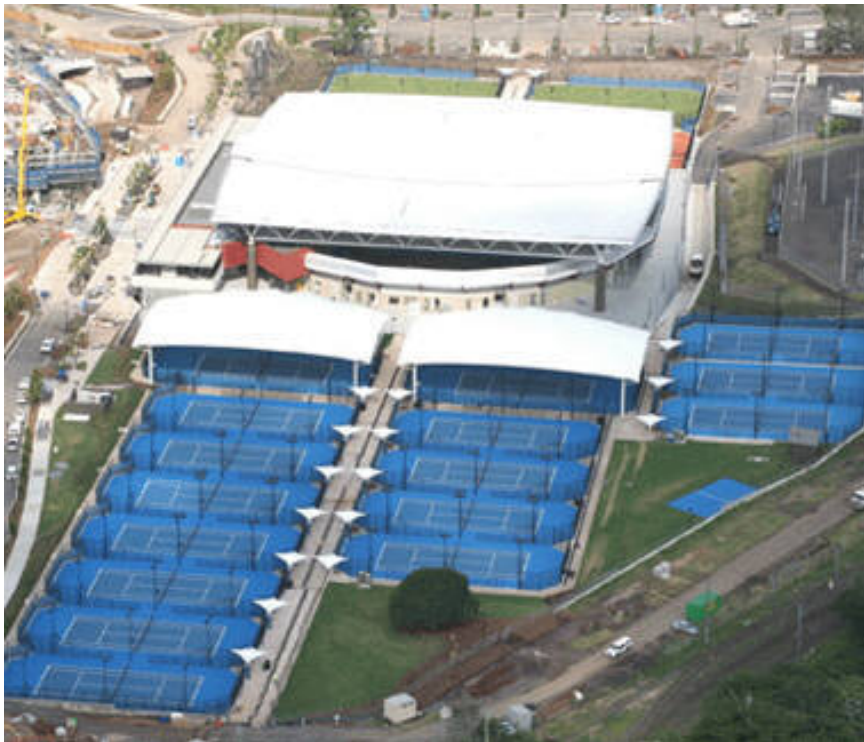
Tennyson Power Station prior to demolition





Source: <https://photos.rosenlund.com.au/Projects/Demolition/Tennyson/i-GN67RCQ/A>

Completed QTC complex



Source: <https://www.austadiums.com/stadiums/stadiums.php?id=322>



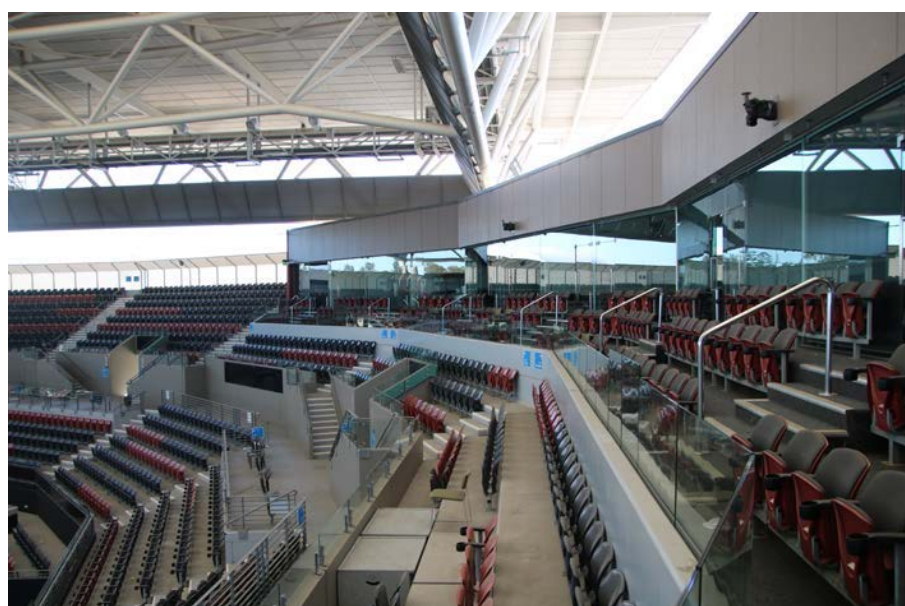
Source: <https://www.austadiums.com/stadiums/stadiums.php?id=322>



Source: <https://populous.com/project/queensland-tennis-centre>









Appendix E – Photos of 2011 flood event



Source: <https://sports.yahoo.com/blogs/tennis-busted-racquet/brisbane-flood-leaves-pat-rafter-arena-underwater--tennis.html>



Source: <https://www.ausleisure.com.au/news/brisbane-international-extended-for-four-years/>



Source: Queensland Floods Commission of Inquiry, *Final Report*, March 2012, p 193.



Source: <http://santa-gucci-tattoo.blogspot.com/2011/03/tennyson-flood-photos.html>

Appendix F – Threshold issues associated with Mirvac’s detailed Development Proposal for Tennyson Riverside Development and the State’s position

**Threshold Issues Associated with Mirvac's Detailed Development Proposal for the
Tennyson Riverside Development and the State's Position**

State Tennis Centre

1. Issue - Mirvac has located part of four tennis courts, a maintenance shed and large trees over electricity easements, which is unacceptable to Powerlink and ENERGEX on safety, reliability of supply and access grounds.

Position - Mirvac to redesign its site plan to remove the above infrastructure from the easements and consult with Powerlink and ENERGEX on the design of and obtain the approval of Powerlink and ENERGEX to the location of any other infrastructure (eg. access roads and parkland) located over easements.

2. Issue - Mirvac has not met a number of the key technical requirements and standards in the *State Tennis Centre Project Brief* and a number of issues relating to compliance require clarification. These are outlined in **Attachment C**.

Position - Mirvac to commit to meet the minimum requirements in the *State Tennis Centre Project Brief* except for any departures proposed by Mirvac in its Detailed Development Proposal (DDP) that the State supports and any other departures identified and agreed to during detailed negotiations.

3. Issue - There are concerns that the uneven shading on the centre court and adjoining courts from the slatted roof and trellis structure of the centre court could result in adverse impacts for playability of courts and television broadcasting.

Position - Mirvac, in consultation with the State, to review the design of its centre court roof and trellis structure to address the adverse shadowing impacts.

4. Issue - Mirvac has proposed to construct the centre court, six training courts, State Tennis Centre (STC) car park and maintenance facilities below the 1:100 year flood level, which is inconsistent with the specifications in the *State Tennis Centre Project Brief*.

Position - Mirvac to commit to redesign its site plan to ensure the six training courts are constructed above the 1:100 year flood level and that appropriate flood mitigation measures are implemented in the design of the centre court.

5. Issue - Mirvac has not provided adequate information on the temporary seating arrangements for the centre and show courts to demonstrate the proposal to bump-in 4,000 temporary seats on the centre court infrastructure is a cost effective model.

Position - Mirvac to provide information in relation to model and costs of the temporary seating for the centre and show courts to demonstrate that it is an effective model.

6. Issue - Mirvac has suggested the 12-year warranty to cover the acrylic hard courts requested by the State is too long and proposes to provide the warranties available from manufacturers and suppliers.

Position - Mirvac to agree to provide and underwrite 12-year warranties for hard courts.

Transport and Access Issues

7. Issue - The transport strategy and plan provided by Mirvac is unclear in terms of the nature and number of services that will be required, particularly for major event mode. Also, proposed infrastructure, such as set-down facilities and associated milling areas, is likely to be inadequate.

Position - Mirvac to enhance its transport strategy and plan as well as provide and finance the infrastructure necessary to provide better public access to the STC including for people with disabilities.

8. Issue - Mirvac has not used the access corridor identified by the State on the basis that Mirvac identified an alternative access corridor it believes provides a more direct route, minimises the impact on Animal Research Institute (ARI) facilities and activities and provides a better "street address" for the development.

Position - State to allow Mirvac to use its alternative access corridor, subject to appropriate traffic calming measures being incorporated in its design.

9. Issue - Mirvac has located the STC car park on the ARI site within part of the access corridor identified by the State.

Position - State to allow Mirvac to locate the STC car parking on the ARI site within part of the access corridor identified by the State.

Project Timing and Approval Issues

10. Issue - Mirvac is seeking approval to undertake early demolition and site remediation works ahead of satisfying the conditions precedent to bring forward the completion of the STC from May 2009 to May 2008 (based on execution of a Development Agreement in December 2004). Assuming a Development Agreement was executed in May 2005, based on Mirvac's timetable this would deliver a STC in November 2009 (assuming no major delays). This timetable is unacceptable to Tennis Queensland and the State.

Position - The State to negotiate with Mirvac and the Brisbane City Council (BCC) to determine an appropriate works program to facilitate early delivery of the STC within a timeframe more acceptable to Tennis Queensland and the State.

11. Issue - Mirvac has sought an extension to the critical finish date to 20 months (from 18 months in the Development Agreement).

Position - State to extend the critical finish date for the STC and transport access works to 20 months (if early works is permitted) or 32 months (if early works is not achievable).

12. Issue - Mirvac has advised that its proposal is conditional upon the receipt of all necessary approvals to its absolute discretion, but on the basis the State could not withdraw from the project if the conditions were unacceptable to the State.

Position - Mirvac not to have absolute discretion to withdraw from the Tennyson Riverside Development (TRD) on grounds it does not receive its desired approvals and the State to retain the ability to withdraw from the project if conditions are found to be unacceptable to the State.

13. Issue - Mirvac has proposed that there be a staged settlement with titles to the associated development being transferred to it based on the level of commitment in the STC and transport and access works.

Position - Mirvac not be provided with title of the associated development site until after satisfactory completion of the STC and transport and access works.

14. Issue - Mirvac has requested the establishment of a State Project Team to assist in facilitating project approvals in a timely manner.

Position - State to establish a Project Team to advise Mirvac on project approval and infrastructure requirements with clear operating parameters, and with the clear understanding that Mirvac would be required to obtain all approvals.

15. Issue - Mirvac intends to submit a comprehensive master plan for the Tennyson Power Station site to obtain BCC support for the TRD project including the proposed plot ratio for its residential development.

Position - Mirvac to provide BCC with its development plans and provide preliminary advice to the State on whether the BCC would be likely to approve the TRD development.

Financial and Risk Management Issues

16. Issue - Mirvac has advised that it will not finalise the construction costs for the STC and transport and access works until completion of detailed design, engineering drawings and a detailed specification. Mirvac has indicated these costs are capped and any increase would be taken from the balance payment offered to the State.

Position - Mirvac to be responsible for all costs of establishing the STC and transport and access works. Mirvac to commit to identify and lock in the costs for that infrastructure as early as possible and thereby from that time accept price transfer risk. Mirvac to confirm it will meet any additional costs identified by Mirvac during the detailed design phase that cannot be funded from the balance payment.

17. Issue - Mirvac proposed a profit sharing arrangement.

Position - Mirvac to provide further information on the likelihood of a distribution under the profit sharing arrangement being made to the State.

18. Issue - Mirvac has indicated that any costs to upgrade access to the Yeerongpilly Rail Station including compliance with the *Disability Discrimination Act 1992* (DDA) should be met by the appropriate authority – in this case Queensland Transport.

Position - Mirvac to commit to meet the costs associated with upgrading the Yeerongpilly Rail Station to be an effective and DDA compliant access solution.

19. Issue - Mirvac has sought over 70 departures to the draft Development Agreement that was provided to proponents as part of Stage 2 of the TRD competitive bid process. These departures generally seek to avoid or limit Mirvac's overall liability by transferring the risk to the State.

Position - State and Mirvac to agree on an approach to negotiate a Development Agreement which reflects an acceptable risk profile for both parties using, as a starting point, the State's response to the 70 plus departures sought by Mirvac as set out in **Attachment B**.

ATTACHMENT B
TENNYSON RIVERSIDE DEVELOPMENT
THE STATE'S RESPONSE TO MIRVAC'S DEPARTURES TO THE DRAFT DEVELOPMENT AGREEMENT

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
1	Clause 1.1 - Defined Terms - <i>Art Built in Policy</i>	Mirvac has proposed the Art Built in Policy should be the policy in place as at the " <i>date</i> " of the Agreement as opposed to the " <i>time</i> " of the Agreement.	The proposed amendment is supported.
2	Clause 1.1 - Defined Terms - <i>Background Intellectual Property</i>	Mirvac has requested the definition of " <i>Background Intellectual Property</i> " be expanded to specifically list the Developer's intellectual property.	The proposal is supported in-principle, noting the Developer will be requested to submit a list of items it considers to fall within Intellectual Property.
3	Clause 1.1 - Defined Terms - <i>Bank Guarantee</i>	Mirvac requires the term of the bank guarantee to be limited to a date which is 12 months after the Critical Finish Date.	The proposal is not supported. The State requires adequate security in the form of a bank guarantee during the construction program, warranty period for the STC and transport and access works and to support the warranty for the tennis courts.
4	Clause 1.1 - Defined Terms - <i>Certificate of Classification</i>	Mirvac has proposed the reference to " <i>Access Works</i> " in the definition of " <i>Certificate of Classification</i> " be substituted with " <i>Transport and Access Works</i> ".	The proposed amendment is supported.
5	Clause 1.1 - Defined Terms - <i>Conforming Approvals</i>	Mirvac has proposed the approvals, referred to in the definition of " <i>Conforming Approvals</i> ", should be " <i>generally</i> " consistent with the concepts for the State Tennis Centre Concept or the Associated Development.	The proposed amendments are not supported.
6	Clause 1.1 - Defined Terms - <i>Environmental Management Register</i>	Mirvac has proposed the definition of " <i>Environmental Management Register</i> " provide for any potential change in the name of the register.	The proposed amendment is supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
7	Clause 1.1 - Defined Terms - <i>Final Completion</i>	Mirvac has proposed the definition of " <i>Final Completion</i> " be amended so it is clear the State's representative must act reasonably.	The proposed amendment is supported.
8 (a)	Clause 1.1 - Defined Terms - <i>Good Engineering Practice</i>	Mirvac has questioned the definition of "Good Engineering Practice" and the tests to be applied in application of the definition.	Amendment of the definition is not supported, as it reduces the overall standard of performance sought by the State. The original drafting is usual and ensures that the Developer meets "world's-best" standards.
8 (b)	Clause 1.1 - Defined Terms - <i>Practical Completion</i>	Mirvac has questioned the use of the term "fitness for intended use" in the definition of "Practical Completion".	Amendment of the definition is not supported, as the definition reflects the State's requirements.
8 (c)	Clause 1.1 - Defined Terms - <i>Practical Completion</i>	Mirvac has indicated there is the potential for Practical Completion to be delayed as a result of minor omissions and defects and has proposed a third party issue the certificate of Practical Completion.	The definition of "Practical Completion" allows for Practical Completion to occur if the matters described in its definition are complete, except for "minor omissions and minor defects". The proposal that the trigger for Practical Completion should be the issue of a certificate by a third party is not supported.
8 (d)	Clause 1.1 - Defined Terms - <i>Practical Completion</i>	Mirvac has proposed the defined term "Tests" be used in the definition of " <i>Practical Completion</i> ".	The proposed amendment is supported.
9	Clause 1.1 - Defined Terms - <i>Handover</i>	Mirvac has proposed the definition of " <i>Handover</i> " be expanded to also refer to the " <i>Transport and Access Works</i> ".	The proposed amendment is supported.
10	Clause 1.1 - Defined Terms - <i>Local Industry Policy</i>	Mirvac has proposed the Local Industry Policy should be the policy in place as at the " <i>date</i> " of the Agreement as opposed to the " <i>time</i> " of the Agreement.	The proposed amendment is supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
11 (a)	Clause 1.1 - Defined Terms - <i>Practical Completion</i>	Mirvac has questioned the definition of "Practical Completion".	The State supports Mirvac's proposal that there should be consistency within the definition. Amendments to the definition will be considered in the course of negotiations on the Development Agreement.
11 (b)	Clause 1.1 - Defined Terms - <i>Practical Completion</i>	Mirvac has proposed a Certificate of Classification should only be required where it is required at law.	The proposed amendment is supported.
11 (c)	Clause 1.1 - Defined Terms - <i>Practical Completion</i>	Mirvac has proposed the delivery of the services and landscaping should be " <i>generally in accordance with the design documentation</i> ".	The proposed amendment is not supported.
12	Clause 1.1 - Defined Terms - <i>Services</i>	Mirvac has proposed the definition of " <i>Services</i> " needs to be limited to those services provided for in the design documentation.	The proposed amendment is not supported.
13	Clause 1.1 - Defined Terms - <i>Settlement Date</i>	Mirvac has indicated the Development Agreement may need to be amended to allow for the staged reconfiguration and settlement of the Associated Development Lot.	The proposed amendment is not acceptable.
14	Clause 1.1 - Defined Terms - <i>State Tennis Centre</i>	Mirvac has indicated the definition of " <i>State Tennis Centre</i> " is too broad and should be referenced to a "tennis centre" constructed substantially in accordance with the design documentation.	The proposed amendment is supported in-principle. Amendments to the definition will be considered in the course of negotiations on the Development Agreement.
15	Clause 1.1 - Defined Terms - <i>State's Representative</i>	Mirvac has proposed the definition of " <i>State's Representative</i> " should be the same as the definition of " <i>Developer's Representative</i> ".	The proposed amendment is supported in-principle. Amendments to the definition will be considered in the course of negotiations on the Development Agreement.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
16	Clause 1.1 - Defined Terms - <i>Variation</i>	Mirvac has proposed the definition of " <i>Variation</i> " should limit the exclusion changes sought by Authorities to changes known or reasonably knowable by the Developer at the time of the agreement.	The proposed amendment is not acceptable.
17	Clause 1.1 - Defined Terms - <i>Variation Cost</i>	Mirvac has proposed the definition of " <i>Variation Cost</i> " should have a reasonable allowance for profit and overheads for the Developer.	The proposal is supported.
18	Clause 2.1 (g) - References	Mirvac has proposed the clause's reference to " <i>indemnify</i> " should not include consequential loss.	The proposal is not supported.
19	Clause 3.1 - State's objectives	Mirvac has indicated the State's objectives are too vague and subjective to constitute practical tests in determining if the State Tennis Centre (STC) and transport and access works are fit for their intended purpose.	The proposal to amend clause 5.10(b) is supported in-principle by the State. Reference to " <i>clause 3.1</i> " in clause 5.10(b) will be substituted with " <i>clause 3.1(a), (b) and (c)</i> ".
20	Clause 3.1 - Purpose of this Agreement	Mirvac has sought to include the Developer's objectives in the Development Agreement's statement of purpose.	The proposal to include the Developer's key objectives is not supported. Mirvac's examples which form part of the development approval process would be conditions precedent.
21	Clause 3.2 - Project components	Mirvac has proposed the Developer's use of " <i>reasonable endeavours</i> " in lieu of " <i>best endeavours</i> " in satisfying the project components.	The proposed amendment is not supported as it would transfer additional risk to the State.
22	Clause 4.1(d) - Conditions Precedent	Mirvac has proposed the State should " <i>act reasonably</i> " in determining whether it is satisfied with the resolution of any Native Title and Cultural Heritage Requirements.	The proposed amendment is not supported. Resolution of Native Title and Cultural Heritage requirements must be in accordance with the regulatory requirements.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
n.a.	Clause 4.2 - Commencement date	Mirvac has sought access to the site for demolition and site remediation works prior to the conditions precedent being satisfied.	<p>Mirvac's proposal for the Developer to have access to the site prior to the conditions precedent being satisfied is not supported.</p> <p>The State would support discussions with Mirvac and Brisbane City Council to determine if an appropriate works schedule can be developed to facilitate early delivery of the STC.</p> <p>A request from the Developer for site access for non-destructive testing, subject to the Developer accepting all related costs and risks, could be considered subject to an assessment of the request and its implications on the site, the project and the State.</p> <p>Consultation would be required with Powerlink and Energex on the impact of testing on the electricity easements and with Enertrade on Tennyson Power Station site issues.</p>
23	Clause 4.3(d) - Satisfaction of conditions precedent	Mirvac has questioned the requirement for a certificate signed by 2 Directors of the Developer following the Conditions Precedent being satisfied.	The proposed amendment is not supported.
24	Clause 4.4 - Waiver	Mirvac has sought the sole right to waive the condition precedent obliging the Developer to obtain all approvals.	<p>The proposed amendment is not acceptable. Clause 4.4 allows the condition precedent to be waived if agreed in writing by both parties.</p> <p>The draft Development Agreement allows the Developer to terminate if the conditions of approval are "materially prejudicial" to the Developer.</p>
25	Clause 4.5 - Effect of Non-Fulfilment	Mirvac has sought extension of the period for satisfaction of Conditions Precedent relating to <i>Land Sales Act 1984</i> and bank guarantees from 60 days to 120 days.	<p>The condition precedent requiring the Developer to provide a bank guarantee (clause 4.1(e)) will be deleted. However, site access will be conditional on the Developer providing the required security.</p> <p>The Developer will be required to lodge an application for an exemption under the <i>Land Sales Act 1984</i> within 30 days from the date of the Development Agreement (clause 4.3(a)) and the exemption will need to be granted within a reasonable time.</p>

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
26	Clause 4.5 - Effect of Non-Fulfilment	Mirvac has proposed the Enertrade Deed of Release be provided after the Conditions Precedent have been satisfied.	The proposal is supported. The Development Agreement could be amended so site access is conditional on the Developer delivering to the State an executed Deed.
27 (a)	Clause 4.6(a) - Approvals	Mirvac has sought to remove the State's ability to terminate the Development Agreement on account of the outcome of the approvals process.	The proposal is not acceptable. The State to retain its right to terminate the Development Agreement in the event that conditions on approvals are not to the State's satisfaction.
27 (b)	Clause 4.6(a)(ii) - Approvals	Mirvac has proposed the term "materially prejudicial" be quantified.	The proposal is not supported. Ultimately, it is a question of objective fact as to whether an approval condition is "materially prejudicial" to a party.
27 (c)	Clause 4.6 - Approvals	Mirvac has sought to suspend the Developer's right to terminate the Development Agreement for the duration of any Ministerial call in.	The proposal is not supported.
28	Clause 4.6(d)(i) - Approvals	Mirvac has sought to limit the circumstances in which a condition of approval may be materially prejudicial.	The proposed amendment is not supported.
29 (a)	Clause 5.1 - Submission of Plans Drawings and Diagrams	Mirvac has sought the State act reasonably and not delay consent in relation to the approval of plans, drawings and diagrams.	The proposed amendment is not supported, as it would limit the circumstances in which the State is entitled to reject a plan, drawing or diagram.
29 (b)	Clause 5.1 - Submission of Plans Drawings and Diagrams	Mirvac has sought to limit the State's application of the conditions in clause 5(b) to (d) to a "material" increase or decrease.	The proposal is not supported, as it would limit the circumstances in which the State is entitled to reject a plan, drawing or diagram.
30	Clause 5.2(b) - Design Program	Mirvac has proposed the State's Representative in accepting or commenting on the Design Program should " <i>act reasonably</i> ".	The proposed amendment is supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
31 (a)	Clauses 5.3 - Design documentation and 5.4 - Submission of design documentation	Mirvac believes there is a conflict between clause 5.3 and 5.4 in relation to the submission of design documentation.	The State does not consider there is a conflict between the clauses. The intent of the clauses will be clarified during negotiations.
31 (b)	Clause 5.4 - Submission of design documentation	Mirvac has proposed the Developer submit design documentation "generally" in conformity with the Design Program.	The proposed amendment is not supported.
32	Clause 5.5 State's response to documentation	Mirvac has questioned the implications arising from the State's acceptance of design documentation.	Amendment of the clause is not supported.
33 (a)	Clause 5.6 - Allowable changes to design documentation	Mirvac has proposed the State should only require changes to the design documentation if there is a material inconsistency with the Prescribed Documents.	The proposed amendment is not supported.
33 (b)	Clause 5.6 - Allowable changes to design documentation	Mirvac has questioned the State's requirement for changes to the design documentation if it is inconsistent with "any" of the Prescribed Documents.	The proposed amendment is supported.
34	Clause 5.7 - Developer's response to State's changes	Mirvac claims the 10 business days allowed for the Developer to amend the design documentation may be too short a timeframe depending on the changes required.	The proposed amendment is supported with respect to Clause 5.7(a) (changes to documentation). However, Clause 5.7(b) (issue of a dispute notice) should be retained in its current form.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
35	Clause 5.9 - Extension of response time	Mirvac has proposed the State should automatically extend the Practical Completion and Critical Finish Date if it extends the timeframe within which it responds to design documentation.	The proposal for the Practical Completion and the Critical Finish Dates to be extended if the State extends the timeframe within which it responds to design documentation is supported, subject to the Developer demonstrating that the State's actions have delayed the program.
36 (a)	Clause 5.12 - Prescribed documents	Mirvac has queried the "order of precedence" in relation to the Prescribed Documents.	The proposal to amend the "order of precedence" in relation to the Prescribed Documents is not supported.
36 (b)	Clause 5.12 - Prescribed documents	Mirvac has requested the Developer's objectives be included as a Prescribed Document.	The proposal to include the Developer's objectives is supported in-principle. Inclusion of the Developer's objectives as a prescribed document is subject to their acceptance by the State.
37	Clause 6 - Tennis Court Design	Mirvac has requested the State and the State's Representative "act reasonably" in accepting a geotechnical Test Statement or Model Results.	The proposed amendment is supported.
38	Clause 6.5 - Submission of court design documentation	Mirvac has proposed the Developer submit court design documentation "generally" in conformity with the Design Program.	The proposed amendment is not supported.
39	Clause 6.6 - State's response to court design documentation	Mirvac has questioned the implications arising from the State's acceptance of court design documentation.	Amendment of the clause is not supported.
40 (a)	Clause 6.7 - Allowable changes to court design documentation	Mirvac has proposed the State should only require changes to the design documentation if there is a material inconsistency with the Prescribed Documents.	The proposed amendment is not supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
40 (b)	Clause 6.7 - Allowable changes to court design documentation	Mirvac has questioned the State's requirement for changes to the design documentation if it is inconsistent with "any" of the Prescribed Documents.	The proposed amendment is supported.
41	Clause 6.8 - Developer's response to court State's changes	Mirvac claims the 10 business days allowed for the Developer to amend the design documentation may be too short a timeframe depending on the changes required.	The proposed amendment is supported with respect to Clause 6.8(a) (changes to documentation). However, Clause 6.8(b) (issue of a dispute notice) should be retained in its current form.
42	Clause 6.10 - Extension of response time	Mirvac has proposed the State should automatically extend the Practical Completion and Critical Finish Date if it extends the timeframe within which it responds to design documentation.	The proposal for the Practical Completion and the Critical Finish Dates to be extended if the State extends the timeframe within which it responds to design documentation is supported, subject to the Developer demonstrating that the State's actions have delayed the program.
43	Clause 6.13 - Prescribed Court documents	Mirvac has requested the Developer's objectives be included as a Prescribed Document.	The proposal to include the Developer's objectives is supported in-principle. Inclusion of the Developer's objectives as a prescribed document is subject to their acceptance by the State.
44	Clause 7.2(a) - Applications for approvals etc	Mirvac has proposed the Developer only use "reasonable endeavours" in applying for approvals.	The proposed amendment is not supported as it would transfer additional risk to the State.
45	Clause 7.2(a)(iii) - Applications for approvals etc	Mirvac has sought to limit the associated activities necessary to obtain an approval to those needed to resolve native title or contamination issues.	The proposed amendment is supported.
46	Clause 7.2(b) - Applications for approvals etc	Mirvac has proposed the State agree to the lodgement of any application for a conforming approval within 3 business days.	The proposed amendment is not supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
47	Clause 7.3(b) - State's consent to Development Approvals	Mirvac has proposed the certification from the Developer should state that the plans, drawings and specifications are " <i>generally</i> " in accordance with the Design Documentation.	The proposed amendment is not supported.
48 (a)	Clause 7.4 - Program and methodology	Mirvac has proposed the Developer's use of "reasonable endeavours" in lieu of "best endeavours" in complying with the approvals program.	The proposed amendment is not supported as it would transfer additional risk to the State.
48 (b)	Clause 7.4 - Program and methodology	Mirvac has sought an extension of time to the Practical Completion and the Critical Finish Dates for delays resulting from planning approval appeal processes, which it considers are Force Majeure Events.	<p>Provided the Developer has complied with clauses 18.1, 18.2 and 18.3, then to the extent that a catastrophic event outside the control of and not occasioned by a breach by the Developer actually delays the Developer in achieving Practical Completion by the Critical Finish Date, the State will consider an extension, at Developer's request, to the Critical Finish Date.</p> <p>Clause 4.6 be amended to include a requirement for the parties to give 14 days notice of their intention to terminate and oblige the parties to negotiate to ascertain if an extension can be granted before they can terminate under the clause.</p> <p>It is the State's expectation that the Developer will obtain all approvals.</p>
49	Clause 7.6(b) - Key Personnel	Mirvac has questioned the State's ability to assign liquidated damages for the loss of personnel.	Amendment of the clause is not supported.
50 (a)	Clause 9 - Development Lease	Mirvac has sought to be protected from any additional stamp duty and GST liabilities arising from the use of a development lease.	<p>The proposed amendment is not supported.</p> <p>The GST implications of the development lease are issues for the Developer to consider.</p> <p>On receipt of a formal submission from the Developer, the State's position on stamp duty relief be determined.</p>
50 (b)	Clause 9 - Development Lease	Mirvac has proposed the development lease allow the Developer to receive title to the Associated Development in stages.	The proposed amendment is not acceptable.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
50 (c)	Clause 9 - Development Lease	Mirvac has indicated that the termination provisions and terms of the development lease must be acceptable to its financiers.	It is noted that further issues may be raised during negotiations with the Preferred Proponent, including compensation arrangements in the event the Development Agreement is terminated.
51 (a)	Clause 9.4 - Easements	Mirvac has proposed that the easement conditions should allow for works on the easements.	The proposal is not acceptable. It is a requirement that the Developer complies with the Minimum Terms and Conditions of Easements and obtains all approvals, including Energex and Powerlink's consent for works on easements.
51 (b)	Clause 9.4 - Easements	Mirvac has proposed that the easement conditions should allow works without the consent of the dominant tenement owner.	The proposal is not acceptable. It is a requirement that the Developer complies with the Minimum Terms and Conditions of Easements and obtains consent for works on easements from entities, such as Energex and Powerlink.
51 (c)	Clause 9.4 - Easements	Mirvac has proposed that works by the dominant tenement owner in the easements should be designed and constructed so as to not adversely impact on the project or its amenity.	The proposal is not acceptable. The Developer is required to accept the entities' (ie. Energex and Powerlink) obligations to the land owner, as stated in the Minimum Terms and Conditions of Easements. The Developer can negotiate alternative terms and conditions directly with the entities.
52 (a)	Clause 10 - Construction	Mirvac has indicated that the State's ability to oversee construction contract negotiations is unreasonable.	The proposal is not supported. The State to retain its right to review the contractual arrangements to ensure its interests under the Development Agreement are protected. The State may require an accurate précis of the proposed contractual arrangements and a statement that they comply with the requirements of the Development Agreement.
52 (b)	Clause 10 - Construction	Mirvac has proposed the State's ability to approve construction contracts should not apply where the contractor is a Mirvac subsidiary.	The proposal is not supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
52 (c)	Clause 10 - Construction	Mirvac has proposed the Developer use " <i>reasonable endeavours</i> " or some other such expression rather than " <i>all proper diligence and expedition</i> " in carrying out the works.	The proposal is not acceptable.
53 (a)	Clause 11 - Changes	Mirvac has proposed the restrictions on the Developer's right to change design documentation without the State's consent be relaxed.	The proposal is not supported, as it would reduce the State's ability to consider and comment on all proposed changes.
53 (b)	Clause 11.1 (m) - Variations	Mirvac has proposed the Developer should be paid for variations in the normal course of the works.	The proposal is supported in-principle. Alternative payment arrangements could be considered in the course of negotiations.
53 (c)	Clause 11.1 - Variations	Mirvac has sought an automatic extension of time to the Practical Completion and the Critical Finish Dates for State caused delays.	The proposal is not supported. Clause 11.1(e)(iii)(A) allows the Critical Finish Date to be extended where the State, as the contracting party, directs the Developer to carry out a variation where the variation will adversely impact on the Developer's ability to complete the STC and transport and access works.
54 (a)	Clause 13 - Project Control Group	Mirvac has questioned the Project Control Group's procedures.	It is noted specific issues may be raised during negotiations with the Preferred Proponent.
54 (b)	Clause 13 - Project Control Group	Mirvac has questioned why the Project Control Group should meet monthly.	The proposal for less frequent meetings is not supported.
55 (a)	Clause 14 - Completion of Works	Mirvac has proposed the Developer's reporting requirements to the State should be reduced.	The proposal is not supported.
55 (b)	Clause 14 - Completion of Works	Mirvac has proposed the State's Representative should "act reasonably" in forming an opinion as to whether or not works are to be re-executed.	The proposal is supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
56 (a)	Clause 15 - Unrestricted access to security	Mirvac claims the State should have no right to call upon the security until it has been proven that there is a default and the Developer has had an opportunity to rectify the default.	The proposal is not supported. The Development Agreement requires the State to give the Developer no less than 2 business day's notice of its intention to call up and apply the security.
56 (b)	Clause 15.7 - Notice	Mirvac has proposed the State should give no less than five (5) business days of any intention to call up and apply for security.	The proposal is not supported.
57	Clause 16 - Insurance	Mirvac has sought an acknowledgment that the insurance can be effected by a blanket group policy where appropriate.	The proposal is not supported because Clause 16.4(b) deals with this issue.
58 (a)	Clause 17 - Defects and Warranties	Mirvac has proposed that the Developer's obligations in relation to the works be limited to compliance with the STC Project Brief rather than the Development Agreement generally.	The proposed amendments are not supported. The Developer is required to fully comply with the Development Agreement.
58 (b)	Clause 17 - Defects and Warranties	Mirvac intends to provide back to back warranties from its contractors / suppliers and the warranty periods which reflect those provided by the suppliers / contractors.	The proposal is not acceptable as it does not satisfy the State's warranty requirements.
58 (c)	Clause 17 - Defects and Warranties	Mirvac has proposed the Latent Defects warranty period should be capped.	The proposal is not acceptable.
58 (d)	Clause 17 - Defects and Warranties	Mirvac has proposed the Developer should only be required to refund the costs and expenses "reasonably" incurred by the State where the State repairs a defect at the Developer's cost.	The proposal is not acceptable.
58 (e)	Clause 17 - Defects and Warranties	Mirvac has proposed the State should give no less than five (5) business days of any intention to call up and apply for security.	The proposal is supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
59 (a)	Clause 18 - Time	Mirvac is concerned that the Critical Finish Date cannot be extended for an act of Force Majeure.	<p>Provided the Developer has complied with clauses 18.1, 18.2 and 18.3, then to the extent that a catastrophic event outside the control of and not occasioned by a breach by the Developer actually delays the Developer in achieving Practical Completion by the Critical Finish Date, the State will consider an extension, at Developer's request, to the Critical Finish Date.</p> <p>Clause 4.6 also be amended to include a requirement for the parties to give 14 days notice of their intention to terminate and oblige the parties to negotiate to ascertain if an extension can be granted before they can terminate under the clause.</p>
59 (b)	Clause 18 - Time	Mirvac has proposed the State should be obliged to extend time if the Developer is delayed for a breach by the State.	The amendment is supported in principle.
59 (c)	Clause 18 - Time	Mirvac has proposed the State should be obliged to extend time if the Developer is delayed for a breach of an obligation by the State.	<p>The proposal is supported in-principle.</p> <p>The dates in the Program will be extended if the Developer demonstrates that the State's breach, as a contracting party, has delayed the Program.</p>
59 (d)	Clause 18 - Time	Mirvac has proposed the Developer should only be required to "use all reasonable endeavours to avoid delay" and to ensure that the works proceeds "generally" in accordance with the program.	The proposed amendment is not supported as it would transfer additional risk to the State.
60	Clause 18.4 - Extensions of time for force majeure	Mirvac has sought an extension of time to the Critical Finish Date for Force Majeure events.	<p>Provided the Developer has complied with clauses 18.1, 18.2 and 18.3, then to the extent that a catastrophic event outside the control of and not occasioned by a breach by the Developer actually delays the Developer in achieving Practical Completion by the Critical Finish Date, the State will consider an extension, at Developer's request, to the Critical Finish Date.</p> <p>Clause 4.6 also be amended to include a requirement for the parties to give 14 days notice of their intention to terminate and oblige the parties to negotiate to ascertain if an extension can be granted before they can terminate under the clause.</p>

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
61 (a)	Clause 19 - Handover	Mirvac is seeking not to be required to warrant that claims by builders or subcontractors for which the Developer is liable have been paid.	The proposal is not supported. However, the State would be prepared to amend Clause 19.1(f) in the following manner: <i>(f) a statutory declaration sworn by a director of the DEVELOPER stating that all payments due and owing to the Builder and to Subcontractors have been paid, or, if payment has not been made, that the non payment is due to the existence of a bona fide dispute under the subcontract.</i>
61 (b)	Clause 19(1)(i) - Requirements of handover	Mirvac has proposed the Development Agreement be amended to allow the site to remain on the Environmental Management Register subject to a site management plan.	The proposal is supported in principle, subject to the conditions of any site management plan being acceptable to the State.
61 (c)	Clause 19 - Handover	Mirvac is requesting for the warranties to be qualified so that they are made in the best of the Developer's knowledge and any actual knowledge of the State or the State's representative.	The proposal is not acceptable.
61 (d)	Clause 19 - Handover	Mirvac is seeking to limit the warranties to those provided in Clause 17.	The proposal is not acceptable.
62 (a)	Clause 20 - Vesting Land	Mirvac is seeking the right not to accept the State's changes to plans of subdivision if the changes requested are considered by the Developer to be prejudicial to the Developer's interests.	The proposal is not acceptable.
62 (b)	Clause 20 - Vesting Land	Mirvac has requested the right to be able to nominate a transferee (other than itself) for the associated development lot.	The proposal is not supported as it raises concerns about multiple nominees and may have GST and stamp duty implications.
63	Clause 22 - Goods and Services Tax	To ensure that the State can adopt the Margin Scheme, Mirvac has proposed the Development Agreement should provide that the State will acquire the associated development land from Enertrade either GST free or subject to the Margin Scheme.	The proposal is supported in principle, subject to Enertrade's agreement and a binding ruling from the Australian Taxation Office acceptable to the State.
64 (a)	Clause 23 - Developer's Warranties and Statements	Mirvac has sought to limit its obligations to the State when engaging and retaining a builder to using its "reasonable endeavours".	The proposal is not acceptable as it does not satisfy the State's requirement that the builder and consultants are competent and experienced.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
64 (b)	Clause 23 - Developer's Warranties and Statements	Mirvac has proposed that the Developer's obligations in relation to the execution and completion of the works be limited to compliance with the STC Project Brief rather than the Development Agreement generally.	The proposed amendments are not supported. The Developer is required to fully comply with the Development Agreement.
64 (c)	Clause 23 - Developer's Warranties and Statements	Mirvac has sought to limit its obligations to the State in relation to the supply of documents and examination of the site.	The proposed amendments are not supported. The Developer is required to fully comply with the Development Agreement.
65 (a)	Clause 24 - Risks Accepted by the Developer	Mirvac is seeking not to be exposed to the risks associated with errors or omissions in the Project Brief. Mirvac does not want to be exposed to risks caused or contributed to by the State's negligence or default.	The proposal is not supported.
65 (b)	Clause 24 - Risks Accepted by the Developer	Mirvac is seeking to ensure that its rights under the Development Agreement are not inconsistent with the Heads of Agreement between Enertrade and the State.	The State notes Mirvac's concerns and will ensure the terms and conditions on which the site is acquired from Enertrade are not "inconsistent with the Developers rights and obligations under the Development Agreement".
65 (c)	Clause 24 - Risks Accepted by the Developer	Mirvac has requested that the Deed of Release and Indemnity only be provided after all other Conditions Precedent have been satisfied.	The proposal is supported.
65 (d)	Clause 24 - Risks Accepted by the Developer	Mirvac has requested that Clause 24.1(e) be deleted to avoid it being exposed to risks associated with ambiguities, errors and omissions in the STC Project Brief.	This amendment is not supported.
65 (e)	Clause 24 - Risks Accepted by the Developer	Mirvac is seeking to limit its exposure to risks when losses and expenses are caused by the State's negligence.	This amendment is not supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
65 (f)	Clause 24.2 - Release of Enertrade	Mirvac has proposed the Enertrade Deed of Release is provided only after further testing of the site has determined the site can be removed from the Environmental Management Register.	<p>The proposal that the Deed will only be provided after it can be determined the site can be removed from the Environmental Management Register is not supported. However, the Development Agreement could be amended to allow the site to remain on the Environmental Management Register subject to a site management plan, with conditions acceptable to the State.</p> <p>The Development Agreement be amended so site access is conditional on the Developer delivering to the State an executed Deed.</p>
66 (a)	Clause 25 - Assignment	Mirvac is seeking the right to assign its interests in the Development Agreement without the State's consent if the State will not be in a worse position.	The proposed amendment is not acceptable to the State as it limits the State's control over the works and there is no indication how the State's position will be determined.
66 (b)	Clause 25 - Assignment	Mirvac is seeking an express acknowledgement that the entity to whom the State novates the Development Agreement will accept the obligations of the State under the Development Agreement.	The proposal is not supported, as this is the effect at law of novation.
66 (c)	Clause 25 - Assignment	Mirvac is seeking to nominate an entity (other than itself) to take the title to the associated development lot.	The proposal is not supported as it raises concerns about multiple nominees and may have GST and stamp duty implications.
67 (a)	Clause 26 - Default and Termination	Mirvac is seeking similar or identical provisions in favour of the Developer which will apply in the event of the default of the State.	The proposal is not supported, as the Developer will have common law rights to damages.
67 (b)	Clause 26 - Default and Termination	Mirvac is seeking to minimise the likelihood of default if it cannot achieve Practical Completion and Critical Finish Date by making the clause subject to Force Majeure provisions.	<p>The proposal is not supported.</p> <p>Provided the Developer has complied with clauses 18.1, 18.2 and 18.3, then to the extent that a catastrophic event outside the control of and not occasioned by a breach by the Developer actually delays the Developer in achieving Practical Completion by the Critical Finish Date, the State will consider an extension, at Developer's request, to the Critical Finish Date.</p> <p>Clause 4.6 also be amended to include a requirement for the parties to give 14 days notice of their intention to terminate and oblige the parties to negotiate to ascertain if an extension can be granted before they can terminate under the clause.</p>

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
67 (c)	Clause 26 - Default and Termination	Mirvac is seeking to ensure that an Event of Default could not be considered where it lawfully repudiates a builder or subcontractor.	The proposal is not supported.
67 (d)	Clause 26 - Default and Termination	Mirvac is requesting that an Event of Default would only be considered if it did not "generally" comply with Approvals.	The proposed amendments are not supported.
67 (e)	Clause 26 - Default and Termination	Mirvac is seeking to ensure that it has reasonable time to correct defective work.	The proposal is supported.
67 (f)	Clause 26 - Default and Termination	Mirvac is requesting that a default event only occurs when it fails to perform a "material" provision in the Agreement.	The proposal is not supported.
67 (g)	Clause 26 - Default and Termination	Mirvac has requested that a time limit be established to ensure it does not trigger an Event of Default for 3 minor defaults notices.	The proposal is supported.
67 (h)	Clause 26 - Default and Termination	Mirvac wants to provide for the Developer to commence diligently to comply with a default notice rather than remedy it within 10 days.	The proposal is supported. Amend clause 26.3(b) and 26.4(c) by in each case omitting paragraph (i) and amending the existing paragraph (ii) (to become paragraph (i)) to read " <i>Developer to diligently commence to correct and complete the correction in the Even of Default</i> ".
67 (i)	Clause 26 - Default and Termination	Mirvac is seeking to have the termination costs determined after final completion of works rather than upon the demand of the State.	The proposal is not supported.
68	Clause 27 - Indemnities	Mirvac is seeking to include a clause that requires the State to provide Mirvac with an indemnity to it for losses/claims arising as a result of personal injury or loss/damage of property caused by or incidental to the Works.	The proposal is not supported.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
69 (a)	Clause 28 - Disputes	Mirvac has sought an automatic extension of time to the Practical Completion and the Critical Finish Dates for the time taken to resolve a dispute which is resolved in favour of the Developer.	<p>The proposed amendment is supported in principle.</p> <p>Clause 18 be amended to allow for the State to consider an extension to the Date for Practical Completion and the Critical Finish Dates for the time taken to resolve a dispute, where it is resolved in favour of the Developer.</p> <p>Deletion of clause 28.9 (certain decisions binding) is not supported.</p>
69 (b)	Clause 28 - Disputes	Mirvac has sought the imposition of a time limit for the lodging of a notice of dispute or for executive negotiations.	The amendment is supported.
69 (c)	Clause 28 - Disputes	Mirvac is seeking an extension from 7 to 14 days following the referral of a dispute to an expert.	The amendment is not supported.
69 (d)	Clause 28 - Disputes	Mirvac is seeking to amend the clause to ensure that the expert discloses all information on which the expert bases its decision and which is not in either parties submission.	The amendment is not supported.
69 (e)	Clause 28 - Disputes	Mirvac is seeking the amendment to ensure that the parties are bound by the rules of natural justice.	The amendment is not supported.
69 (f)	Clause 28 - Disputes	Mirvac is seeking to use the phrase "error of law" as opposed to "manifest error."	The amendment is not supported.
70 (a)	Clause 29 - Confidentiality and Intellectual Property	Mirvac is seeking to ensure that the intellectual property granted to the State under an irrevocable licence can only be used on the Tennyson site.	<p>The proposal is supported, subject to the licence being site specific.</p> <p>Amend Clause 29.6(c) and Clause 29.7(b) by adding at the end of it the words "<i>within the Tennyson Site</i>".</p>
70 (b)	Clause 29 - Confidentiality and Intellectual Property	Mirvac has sought an amendment to the clause so that the State is granted a licence after Handover.	The proposal is not acceptable.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
	Schedule 1 - Particulars	Mirvac has requested the Critical Finish Date is 20 months after the Commencement Date.	<p>The amendment is not supported. However, the State will give consideration to extending the Critical Finish Date to 32 months after the Commencement Date (This assumes the State will not support early works).</p> <p>The extension consists of 20 months, as requested by Mirvac, and a further 12 months on account of the State's non-acceptance of Mirvac's proposal to access the site for demolition and site remediation works prior to the Conditions Precedent being satisfied.</p>
	Schedule 2 - State Tennis Centre Project Brief	Mirvac has proposed to construct the centre court, four clay and two grass tennis courts and the STC car parking facilities below the ARI100 year flood immunity level.	<p>The proposal is not acceptable as it would transfer risk to the State to rectify courts and infrastructure damaged by flooding.</p> <p>Mirvac to redesign its site plan to ensure the show, match and training courts are constructed above the 1:100 year flood level and that appropriate flood mitigation measures are implemented in the design of the centre court.</p>
	Schedule 6 - Warranty Deed	Mirvac has indicated warranties for court base and surface will be as offered by International Tennis Association accredited contractors.	The proposal is not acceptable to the State.
71	Schedule 7 - Access Licence	Mirvac has questioned the definition of "Good Contracting Practice" and the tests applied to the definition.	<p>The proposal is not supported.</p> <p>It is noted that Mirvac may request clarification of the definition of "<i>Good Contracting Practice</i>" during negotiations.</p>
	Schedule 7 - Access Licence	Mirvac has proposed an alternative access route through the ARI site.	The proposal is supported in-principle.
72 (a)	Additional Comments	Mirvac has requested a general clause obliging the parties to act reasonably and in good faith towards each other.	The proposed amendment is not supported.
72 (b)	Additional Comments	Mirvac is seeking to include a provision which ensures that the parties have not relied on any representations, warranties or statements not contained in the Development Agreement.	The Development Agreement already provides for this in Clause 30.1.

Mirvac Ref	Clause	Summary of Mirvac's issue	State position
72 (c)	Additional Comments	Mirvac is seeking to include a clause that acknowledges that the Development Agreement is not an infrastructure agreement under the <i>Integrated Planning Act 1997</i> .	The proposal is not supported.

MIRVAC'S PROPOSED DEPARTURES TO THE STATE TENNIS CENTRE PROJECT BRIEF

Clause	Requirement	Summary of Mirvac's issue	State position
5	Quality	Mirvac is not ISO 9001:2000 accredited.	The proposal is not supported. Contractor and all sub-consultants, services subcontractors and significant building subcontractors shall be third party certified to ISO 9001:2000 Quality management systems - Requirements.
6	Centre Court	Warranties for court base and surface will be as offered by International Tennis Association (ITA) accredited contractors.	The proposal is not acceptable. Mirvac to comply with requirements of the State Tennis Centre Project Brief.
6.3	Scoreboard	Mirvac will provide the necessary infrastructure to allow for the supply, installation and dismantling of temporary video-wall scoreboard by others.	The proposal is not acceptable. Mirvac to comply with requirements of the State Tennis Centre Project Brief.
6.6	Public Concourse	Provision of infrastructure and equipment to be per Mirvac proposal and excludes requirements of venue manager e.g. compactor to be negotiated by Venue Manager with waste contractor.	Mirvac to provide further details of infrastructure and equipment it has proposed it will not provide.
7.1	Match Courts	Warranties for court base and surface will be as offered by ITA accredited contractors.	The proposal is not acceptable. Mirvac to comply with requirements of the Development Agreement Warranty Deed.
8.1	Training Courts	Warranties for court base and surface will be as offered by ITA accredited contractors.	The proposal is not acceptable. Mirvac to comply with requirements of the Development Agreement Warranty Deed.
11.2.8	Function Rooms	Mirvac's proposal for the function rooms provides for 2 adjoining spaces capable of seating 200 people in a dining configuration.	The proposal is not acceptable. Mirvac to comply with requirements of the State Tennis Centre Project Brief.
12.13	Shade Coverage	The extent of shade coverage will be according to the Mirvac proposal.	Mirvac to provide further details of shade coverage.
13.2	Items Supplied by Developer	Furniture, fit-out and equipment supplied will be per Mirvac proposal.	The proposal is not acceptable. Mirvac to comply with requirements of the State Tennis Centre Project Brief.
14.3.1	Outside Broadcast Compound	The extent of parking will be per Mirvac proposal.	The proposal is not acceptable. Mirvac to comply with requirements of the State Tennis Centre Project Brief.

Clause	Requirement	Summary of Mirvac's issue	State position
16.8.5	Earthworks	The earthworks have been designed in accordance with the Mirvac proposal.	The proposal is not acceptable. Mirvac to comply with requirements of the State Tennis Centre Project Brief.
17.2	Legislative Compliance	The proposal has been designed in an attempt to minimise the impacts on the site and external environment.	Mirvac to confirm it will comply with the provisions of all relevant Commonwealth, State and Brisbane City Council requirements and relevant Australian Standards and Codes.

ATTACHMENT C

Tennyson Riverside Development State Tennis Centre Project Brief - Priority Issues

Attachment A to the State's letter to Mirvac outlines a number of threshold issues associated with Mirvac's Detailed Development Proposal (DDP) including in relation to the State Tennis Centre (STC). Threshold issue number 2 states that Mirvac is to commit to meet the minimum requirements in the State Tennis Centre Project Brief (Brief) except for any departures proposed by Mirvac in its DDP that the State supports and any other departures identified and agreed to during negotiations. The State's response to the departures sought by Mirvac to the State Tennis Centre Project Brief is set out on the second last page of Attachment B. This document (Attachment C) sets out the priority STC issues to be addressed by Mirvac in revising its DDP. It is not an exhaustive list and the State reserves the right to advise Mirvac of additional priority STC issues should they arise during the negotiation process or the assessment of Mirvac's revised DDP.

Issue	STC Project Brief Reference	Comment	Issues to be addressed in revised Detailed Development Proposal (DDP)
Facility Accommodation	1.3	<p>All facilities required for players during major events are not provided using dedicated permanent facilities and/or the reconfiguration of flexible permanent facilities as required.</p> <p>Some key overlay facilities such as broadcast, media, officials, major sponsors hospitality and VIPs lounge and hospitality have not been located in close proximity to the centre court.</p>	Review the overlay design to provide the required players' facilities as permanent facilities and locate key overlay facilities in close proximity to the centre court.
Transport and Access	3.2	<p>The transport strategy and plan has been identified as inadequate. Specific concerns are:</p> <ul style="list-style-type: none"> proposed infrastructure, such as bus bays and associated marshalling and milling areas are inadequate; the width of pathways, bikeways and connections with external infrastructure may not accommodate safe and convenient pedestrian and bicycle access to the STC during major event mode; the lack of detail on pedestrian and bicycle access to 	<p>Revise the transport strategy and plan to include the following:</p> <ul style="list-style-type: none"> an appropriate number of bus bays (4 as opposed to the 3 offered); sufficient marshalling and milling areas adjacent to coach bus and taxi set-down and pick-up areas; internal pathways, bikeways and connections to external infrastructure of sufficient size to accommodate safe and convenient access during major event mode; and an internal roundabout sized to accommodate large vehicles and buses.

		<p>the riverfront from the plaza;</p> <ul style="list-style-type: none"> the conflict of pedestrian and vehicle movements at the plaza entry and throughout the site; possible rat running from the west to the east may conflict with safe pedestrian use of the plaza; and large vehicles with heavy loads accessing the substation and centre court may potentially damage electrical cables within the easement on the Animal Research Institute boundary. <p>The proposed bus turn around arrangements are not supported.</p>	<p>Provide information on the effectiveness of:</p> <ul style="list-style-type: none"> segregation of pedestrian and vehicle movements at the plaza; and vehicle access to the substation and measures proposed to avoid damage to electrical cabling. <p>The internal roundabout is to be adequately sized to accommodate large vehicles including buses and semitrailers.</p>
	3.3	<p>The alignment of the alternative access route to the substation is unsuitable and the gradients appear to be too steep for access by large vehicles with heavy loads.</p>	<p>Provide information on gradients and access arrangements to the substation.</p>
	3.4	<p>Specific concerns about access arrangements are:</p> <ul style="list-style-type: none"> pedestrian, bicycle and vehicle movements have not been clearly separated, particularly at the plaza entry; the location of the pedestrian pathway on the northern side of the boulevard will result in conflicts of movements between vehicles and pedestrians accessing the Yeerongpilly Rail Station during major events; the width of the pathways within the site and connections to external infrastructure may not be adequate for major event mode; and the recreational bikeway is too narrow (it should be at least 3 metres). 	<p>Revise the design of pedestrian and bicycle access to provide separation and/or other safety measures to protect pedestrians and cyclists.</p> <p>Provide details on the estimated extent of usage of the riverfront bikeway and bicycle corridor identified along the boulevard and the links to existing bikeways.</p> <p>Increase the width of major pedestrian pathways and revise the location of the pedestrian pathway to Fairfield Road to resolve conflicts of movements.</p>

Disability Access	4	<p>Limited details have been provided regarding disability access issues. Specific concerns are:</p> <ul style="list-style-type: none"> • how the STC is accessed from the STC car park by people with a disability; • access to toilets; • changes in levels and directness of access routes; • the lack of detail regarding the facilities provided for the hearing impaired; • the ability of the STC to meet the needs of wheelchair tennis players (e.g. pathways and internal doorways may not accommodate sporting wheelchairs); and • barrier free access to public transport. 	Provide further details in response to the disability access concerns identified.
Courts	6.1	<p>Specific concerns with the centre court are:</p> <ul style="list-style-type: none"> • the roof combined with the formation of a fully enclosed centre court sunk below ground level may contribute to possible heat build up and discomfort for both players and spectators; • court equipment, protective covering and the necessary handling equipment and storage facilities are not provided; • it is unclear how alternative centre court surfaces will be installed without compromising the flood mitigation strategy; and • details on all court services, data, communication, power and water outlets as well as all necessary infrastructure and head-end equipment for the Public Address and CCTV systems have not been provided. 	<p>Provide modelling of temperatures that may be experienced on centre court and outline how heat build up will be mitigated through design or by alternative means.</p> <p>Confirm the court equipment, protective court covering, handling equipment and storage facilities will be provided.</p> <p>Show how the centre court surface will be accessed by vehicles without compromising the flood mitigation strategy.</p> <p>Provide details of services and systems provided to the centre court.</p>
	6.3	<p>Mirvac has proposed that it will provide the necessary infrastructure to allow for the supply, installation and dismantling of a temporary, video-wall scoreboard. This does not meet the requirements of the Brief.</p>	<p>Confirm that the required dedicated electronic scoreboard and the infrastructure for two temporary scoreboard monitors will be provided.</p>

	6.6	<p>A public concourse is provided to service all vomitories, concessions and toilets, however not all necessary infrastructure and equipment required by the Brief has been provided.</p> <p>Mirvac states the provision of infrastructure and equipment excludes the requirements of the venue manager.</p>	<p>Coufirm all infrastructure and equipment required by the Brief will be provided.</p> <p>Provide further details on the design of the public concourse and its capacity to cater for:</p> <ul style="list-style-type: none"> • a crowd of 7000; and • the bump in of facilities for events (inclnding services).
	6.1 and 7.2	<p>Specific concerns with the centre and show courts are:</p> <ul style="list-style-type: none"> • lighting does not comply with the Brief requirements; and • wet weather covers are not provided. 	<p>Provide lighting and wet weather covers in accordance with the Brief.</p>
	7.1, 7.2 and 8.1	<p>Specific concerns regarding the show, match and training courts include:</p> <ul style="list-style-type: none"> • some court equipment has not been scheduled; • it is not clear if walkways between courts are to be provided with shading; • access to courts for maintenance; and • details on all court services, data, communication, power and water outlets as well as all necessary infrastructure and head-end equipment for the Public Address and CCTV systems have not been provided. 	<p>Commit to provide court equipment and provide a comprehensive cost schedule of court equipment including number, type and quality of all items.</p> <p>Provide details of shading to walkways.</p> <p>Clarify how courts will be accessed to undertake maintenance.</p> <p>Provide details of services and systems provided to all courts.</p>
Tennis Court Seating and Shade	9	<p>Details for the shaded seating for 6 spectators for each of the match and training courts have not been provided.</p>	<p>Provide information on the shaded seating for 6 spectators for each match and training court.</p>
Tennis Queensland State Office	10.1	<p>Mirvac has included items for the State Office that are not required under the Brief, noting Tennis Queensland is to provide, for the State Office, the loose furniture, workstations and loose equipment outlined in the Brief.</p>	<p>Items for the Tennis Queensland State Office that are not required by the Brief should be removed from the DDP.</p>
Administrative Facilities	11.2	<p>The location of the venue mauagement facilities may not be optimal for overseeing the day-to-day operations of the STC (e.g. limited ability to view courts from the venue management offices).</p>	<p>Review the location and amenity of the venue management facilities and provide information on how the location of the facilities will allow the STC to operate effectively in normal mode.</p>

	11.2.3	The user interface area has been located one floor above entry level and therefore may not be an effective arrangement for daily operations such as court hire.	Review the location of the user interface area to ensure it is practical for daily activities such as court hire.
	11.2.10	It is unclear if the medical and emergency services room has direct access to an emergency vehicle parking area with clear passage for a wheeled stretcher without intervening stairs.	Provide details of access arrangements in accordance with the Brief.
	11.2.12	Details of all electronic management systems required to assist in operations have not been provided.	Commit to provide the required systems, infrastructure and equipment and include in the schedule of costs.
	11.3.2	Specific concerns with the café are: <ul style="list-style-type: none"> • 40 m² is not considered sufficient to meet the requirements of the Brief; • it is unclear if the café is capable of being extended in major event mode; and • there is no indoor eating area. 	Provide information on the ability of the café to expand in event mode and how the café meets the requirements of the Brief.
Support Facilities	12.2.1	No reference made to camera and lighting gantry.	Confirm provision of and provide details on the camera and lighting gantry including the means to install, access and service cameras and lights in the centre court.
	12.7	The loading area is located at the rear of STC, which may not be appropriate for some STC needs. It is unclear how the loading area can service all areas of the STC.	Provide details of how the loading area will cater for the service delivery requirements for all areas of the STC including the café, Tennis Queensland and venue management offices.
	12.8	Insufficient details have been provided regarding the maintenance/grounds keeping facilities.	Confirm the provision of all the facility and equipment requirements of the Brief and provide further information on the following: <ul style="list-style-type: none"> • office; • store; • ventilated parking; • separate drive in bin area; • chemical shower; • locker/shower/toilet room for staff; • maintenance area; • maintenance storage; and • separate secure chemical storage room.

	12.9	Details of access controls have not been provided.	Provide information on the extent of access control measures.
	12.11	There are a number of concerns regarding the permanent toilets including: <ul style="list-style-type: none"> • no field toilets adjacent to match and training courts; • toilets not conveniently located for café patrons; • security arrangements for public toilets during normal mode; and • no dedicated toilet for officials. 	Address the concerns regarding the provision of permanent toilets around the STC.
	12.12 and 1.3	Details of the services to be provided to temporary overlay facilities have not been provided.	Confirm that overlay areas and facilities are adequately serviced with water, electricity, lighting, drainage and facilities for cable reticulation.
	12.16	The main waste disposal areas have not been detailed.	Confirm and provide specific details on the waste disposal strategy and facilities.
Furniture, Fittings and Equipment	13.2	Mirvac proposes to supply the majority of furniture, fittings and equipment items, however not all items have been scheduled.	Commit to provide all the required equipment and include in the schedule of costs.
Major Event Mode	14.1.2	A drug testing area is provided however there is no dedicated access to a toilet.	Provide dedicated access to a toilet as it is a requirement for drug testing.
	14.2.1 and 14.2.2	Overlay for ball persons area and officials room is located in the car park, however no information has been provided on the provision of services to these areas.	Provide further information on what facilities are proposed for ball persons and officials and how these will be serviced.
	14.3.1	Insufficient details have been provided on the outside broadcast vehicle compound, including: <ul style="list-style-type: none"> • the cable route from the compound and parking areas into centre court and media areas; • location of the temporary standby power generation or secure alternative power source; • parking; and • interference from electromagnetic fields with broadcast capability. 	Clarify the overlay design for the broadcast area including access to services. Comment on the potential for electromagnetic interference on broadcast capability from electrical cabling in the area identified.

	14.3.3 and 14.4.4	Services for the television and radio broadcast booths, television presentation studio and the press conference area have not been detailed.	Confirm that required services infrastructure for the television and radio broadcast booths and television presentation studio and press conference area are to be provided.
	14.4.2	The location of the media workroom is not clear.	Provide information on where the media workroom is located and the services provided for this facility.
	14.4.3	The photographers facilities area is identified as overlay however no details have been provided.	Provide information on: <ul style="list-style-type: none"> • the location of the photographers facilities; • centre court photographer and camera positions; and • services infrastructure and access to broadcast connections.
Electrical Services	16.2	Provision of spare capacities and flexibility in the electrical service elements has not been detailed.	Provide details of spare capacity in the electrical service elements and how this will provide flexibility for major events.
	16.5.4	Details of the CCTV surveillance has not been provided.	Provide details on the extent of the CCTV measures.
Civil Engineering	16.8.5	The departure schedule indicates that earthworks have been designed in accordance with the DDP and not the Brief. Information provided regarding earthworks is not adequately detailed.	Show that: <ul style="list-style-type: none"> • the STC will withstand the adverse impact from storms up to a minimum of 100 year flood event; • no ponding of stormwater will occur over any part of the proposed development platforms; and • overland stormwater flows are adequately catered for and are directed away from buildings and courts.
Environmental	17.4	No commitment has been made nor conceptual arrangements provided on Ecologically Sustainable Development principles.	Provide details of the following: <ul style="list-style-type: none"> • strategy for water conservation, harvesting and recycling, including costs, ownership and control and timing for installation; • stormwater discharge quality standard; • recycling of demolition materials, particularly masonry rubble; • energy efficiency and if there is a commitment to achieving an environmental standard such as the green star rating or equivalent; and • the measures proposed to prevent floating debris and rubbish from collecting below the boardwalk and in the mangroves.

Materials and Durability	19.	<p>The lifecycle costs proposed for the STC appear conservative with optimistic design lives for some building elements.</p> <p>In addition, some materials may be inappropriate (e.g. plasterboard finishes are not suitable for heavy use areas).</p>	<p>Provide further details of the lifecycle costs including:</p> <ul style="list-style-type: none"> • quality of the materials and finishes; and • the proposed lifecycle planning procedure that ensures the required design lives will be achieved with maintenance costs minimised. <p>Provide comment on the appropriateness of the materials and finishes proposed in view of their function or use.</p>
Building Fabric	20.	A short schedule of materials and finishes for internal spaces only has been provided.	Provide further details on the type and quality of materials and finishes proposed.