



Government
of South Australia

The Hon Stephan Knoll MP
Member for Schubert

Reference: SKNOLL169055

Hon S Mullighan MP
Member for Lee
Level 1, 62 Semaphore Road
SEMAPHORE SA 5019

Dear Mr Mullighan

INTERNAL REVIEW OF A DETERMINATION – UNDER THE FREEDOM OF INFORMATION ACT 1991

On 4 December 2018, the Office of the Minister for Transport, Infrastructure and Local Government, Minister for Planning received your initial application made pursuant to the *Freedom of Information Act 1991* (the Act) for access to –

“All minutes, briefings, notes, emails and correspondence from the Treasurer, the Hon Rob Lucas and Treasurer’s Office to the Minister and his office regarding the proposed hotel development at Adelaide Oval from 19 March 2018 until 30 November 2018.”

On 17 January 2019 your application for internal review made pursuant to section 19 (2)(b) of the Act was received. I have reviewed the deemed refused status of your original application and I have determined to process the request as if the statutory time frame has been met.

A search of documents held by the Office of the Minister for Transport, Infrastructure and Local Government, Minister for Planning was undertaken. I wish to advise that 1 document has been identified within the scope of your request.

Please refer to the attached schedule that describes each document and sets out my determination and reasons in summary form.

I have determined to grant partial access to document 001 and have removed the personal contact details within the document that I have determined are exempt, in accordance with clause 6 (1) of the Act which states:

6-Documents affecting personal affairs

(1) A document is an exempt document if it contains matter the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead.)

Minister for Transport, Infrastructure and Local Government
Minister for Planning

Roma Mitchell House Adelaide SA 5000 | GPO Box 1533 Adelaide SA 5001 DX 171
Tel 08 7109 8430 | Email ministerknoll@sa.gov.au



Attached is an explanation of the provisions of the Act which details your rights to review and appeal this determination, and the process to be followed.

If you have any questions in relation to the matter, please contact Rachel Stone, Freedom of Information Officer on telephone (08) 7109 8419 or via email at rachel.stone@sa.gov.au

Yours sincerely



Jenna Phillips-Wilkinson

Accredited FOI Officer

Office of the Minister for Transport, Infrastructure and Local Government
Minister for Planning

31 January 2019

Encl

RELEASED UNDER FOI ACT

SCHEDULE OF DOCUMENTS - FREEDOM OF INFORMATION APPLICATION NUMBER

SKNOLL169055

Document Number	Description of Document	Date of Document	Author	Determination Release / Partial Release / Refuse Access	Schedule Clause Applied	
1	Email with 1 attachment	28/11/2018 10.05am		Partial Release	6(1)	

RELEASED UNDER FOIA ACT

Stone, Rachel (DPTI)

From: [REDACTED]
Sent: Wednesday, 28 November 2018 10:05 AM
To: Stone, Rachel (DPTI)
Subject: Treasurer's responses - Adelaide Oval Precinct
Attachments: 27_11_18 - Question - Adelaide Oval Precinct.doc

Hi Rachel

During yesterday's Parliamentary Sitting the Treasurer was questioned on the Adelaide Oval Precinct. I have attached a copy of the relevant extract from Hansard.

Can you please advise whether the Treasurer's responses to the highlighted areas are correct, or whether further response is required? If further response is required I will commence uploading the questions to Sharepoint.

Kind regards,

[REDACTED]
[REDACTED] | Office of the Treasurer
Department of Treasury & Finance
[REDACTED]
[REDACTED]

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Government of South Australia
Department of Treasury
and Finance

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Extract from the **LEGISLATIVE COUNCIL Hansard of 27 November 2018**
Confidential and subject to revision

ADELAIDE OVAL PRECINCT

The Hon. K.J. MAHER (Leader of the Opposition) (14:30): I seek leave to make a brief explanation before asking the Treasurer a question in relation to a private hotel at Adelaide Oval.
Leave granted.

The Hon. K.J. MAHER: In his budget speech, the Treasurer said:
This government's reform agenda, reflected in this budget, will help create jobs by lowering the costs of doing business for all businesses in the state, rather than relying on politicians and public servants trying to pick winners and giving handouts to a small number of lucky businesses.

My questions to the Treasurer are:

1. Does the Treasurer completely support the Marshall Liberal government's decision to support the building of a private hotel at Adelaide Oval with a \$42 million state-backed loan?
2. How does that action stand up with his previous comments that his government would not pick winners?
3. Is there any requirement for a minimum number of jobs for this project, and are there clawback provisions if that number of jobs is not met?

The Hon. R.I. LUCAS (Treasurer) (14:31): I completely support every decision the government takes and am happy to do so. That would include this particular decision as well. The essential difference with this particular project is that the asset actually is a government asset; it's on the state's balance sheet. As the Leader of the Opposition would know as a former minister, the assets at Adelaide Oval are on the state's balance sheet. The hotel will be on the state's balance sheet. It's actually quite different to other loan and/or grant arrangements to that extent.

This is the government, the state, adding to the quality of its balance sheet and the quality of its asset. The Premier has been reported as saying that—and I think I have seen him make comment along the following lines—to the extent that the state can invest in its own asset, clearly in association with the partners that comprise the Stadium Management Authority, it ensures an ongoing improvement of the asset base at Adelaide Oval. Hopefully, it ensures protection of the revenue base from the oval because there are existing lease arrangements in relation to Adelaide Oval of which the member would be very familiar.

There are requirements for the Stadium Management Authority to pay money into sinking funds to maintain and upgrade the asset base. There are requirements for the Stadium Management Authority to make payments into something—I can't remember the exact name—a community development-type fund, which supports community-based sporting projects, programs and infrastructure. So it has to generate sufficient funds on an ongoing basis, not just in the short term but in the long term, to sustain the revenues to do that. It is their view that this is one way to do that, together with the various other projects that they have been involved with: roof climbs, the restaurant, golf. There are various revenue streams that the Stadium Management Authority has looked at. Perhaps when the former government approved whatever it was—\$535 million—to go into the project, it might not have envisaged golf, roof climbs and five or four-star restaurants or, indeed, even a hotel as being part of the project.

Intriguingly, I had a meeting this morning with someone associated with the Sydney Cricket Ground trust—not on that particular issue—and this particular person indicated that they had in the past looked at the issue of a hotel for the Sydney Cricket Ground. They were much more landbound, if I could use that particular phrase—that is, there just wasn't the capacity for them to do it—but they could certainly see the argument why people who do look at stadia around Australia would follow the trend of some other parts of the world.

In relation to the other aspects of the question, I will certainly take them on notice. I am not aware that the arrangements—the minister who's had primary carriage of this has been Minister Stephan Knoll, Mr President, but my recollection was there are no clawback job-related aspects to the loan arrangements. If my recollection is not correct, I will come back and clarify that with a further response. If there are any other aspects of the member's myriad questions that I have not addressed, I will take them on notice and bring back a reply.

ADELAIDE OVAL PRECINCT

The Hon. K.J. MAHER (Leader of the Opposition) (14:35): Supplementary arising from the answer and, I think, the Treasurer confirming that this hotel will be on the government's balance sheet and essentially be a government-owned hotel competing against the private sector. On that basis, the cost of doing business—what are the comparisons for this hotel and a private sector hotel? For instance, will this hotel have to pay land tax? Council rates? Are there any benefits that this hotel will get that the private sector doesn't enjoy, and how will the cost—

The Hon. J.M.A. Lensink: It's a very long supplementary.

The Hon. K.J. MAHER: —of staying at this hotel be calculated in competition with the private sector?

The Hon. R.I. LUCAS (Treasurer) (14:36): I think the leader's struggling a bit—

The PRESIDENT: Can I just mention, Leader of the Government, that I don't need advice—

The Hon. R.I. LUCAS: I won't advise you—

The PRESIDENT: —from members of your own front bench. The Leader of the Opposition was giving context to a sensible and important question. I give you the call.

The Hon. R.I. LUCAS: Mr President, the leader's question in relation to land tax arrangements and the like—he would well know, because they are exactly the same arrangements as his government entered into when they provided the \$535 million loan.

The Hon. K.J. Maher: But that oval wasn't competing against dozens of private enterprises.

The PRESIDENT: Leader of the Opposition, you have an opportunity for a further supplementary.

The Hon. R.I. LUCAS: Mr President, the leader asked the question, 'What advantages does this particular business have compared to others?' One of the advantages it has is that it has \$535 million of sunk taxpayers' cost into magnificent surroundings at the Oval, which most other competitors won't have. It has the advantage, Mr President, of \$535 million of taxpayers' money going into the asset, together with an extra \$40 million or so for a bridge across, connecting it to the salubrious highlights of the Casino and other establishments on the other side of the river, which many other businesses don't have as well. As a result of decisions taken by the former government, this particular business of running football, cricket and a stadium, together with roof climbs and golf lessons, or whatever it is—

The Hon. D.W. Ridgway: And a coffee shop.

The Hon. R.I. LUCAS: —and coffee shops and restaurants, has significant advantages because of the decision the former government took, which the now government supported by way of legislation through the parliament, to establish what is now a magnificent Adelaide Oval redevelopment. In and of itself, it clearly has significant advantages in relation to it.

All of the arrangements in relation to taxation of the Adelaide Oval precinct are the same arrangements the former government either inherited or instituted through the legislation that was passed through the parliament. We have not amended the legislation, as is apparent; we have accepted the legislation and all of the existing arrangements.

Indeed, one of the concerns at that particular time, which has already been opined upon by a number of prominent Adelaide identities, is that this hotel, so I'm told, will not intrude any further onto the Adelaide Parklands precinct; it will be wholly self-contained, so I am informed, within the existing footprint of the existing Adelaide Oval.

So I readily acknowledge that this particular business, all encompassing as it is, as a result of decisions taken by the former Labor government, which we eventually supported through legislation, has significant advantage over many other competing businesses as a result of those particular decisions.

ADELAIDE OVAL PRECINCT

The Hon. K.J. MAHER (Leader of the Opposition) (14:39): Supplementary arising from the original answer: has the Treasurer received any complaints from business owners that this will cause a distortion in the market and provide a disincentive for private sector investment in the hotel industry?

The Hon. R.I. LUCAS (Treasurer) (14:40): I have not had a telephone call, a conversation or a meeting with anyone relaying complaints, but I am aware through the media, because a number of people have done media, that there are people in the public complaining about the particular issue along the lines the honourable member has suggested. It is entirely possible that there may be an email or letter being processed by my office that I have not seen.

The Hon. K.J. Maher: Will you take it on notice and check?

The Hon. R.I. LUCAS: I am happy to take it on notice—and I will get them to check the junk box as well, just in case my fellow comrades in the hotel industry are not treated as capriciously as my comrade in the shoppies union.

The Hon. E.S. Bourke: You don't know what else you will find in there. Maybe you will find a Christmas card from Josh.

The Hon. R.I. LUCAS: Your Christmas card has gone into the junk box? I will check the junk box for the Hon Emily Bourke's Christmas card. I would hate for that to suffer the same fate as the email or correspondence from the shoppies union. I am happy to take it on notice.

The simple answer to the question is: no, I have not had a telephone call, I have not had a meeting, I have not had had a direct conversation with anyone, but I am obviously aware that there are people who are expressing publicly the concerns the Leader of the Opposition has expressed. If, in and of this particular date, I have received letters or emails in the junk box or otherwise, I am happy to take that on notice.

ADELAIDE OVAL PRECINCT

The Hon. K.J. MAHER (Leader of the Opposition) (14:41): Final supplementary: given the concerns that have been raised, will the Treasurer rule out the government putting on its balance sheet further hotels that will distort the market, so as to provide some certainty in this area?

The Hon. R.I. LUCAS (Treasurer) (14:41): I have no knowledge, no contemplation, no expectation, of any further—

The Hon. K.J. Maher: Rule out?

The Hon. R.I. LUCAS: I am not sure what sort of participatory government the Leader of the Opposition participated in when he was last in government, but decisions are taken by governments and cabinets. I think that if the leader thinks through the import of the particular question he has just put, I cannot imagine that the Stadium Management Authority will be wanting to build another hotel on its existing asset base. I am not aware of any other proposals. I have no expectation of any other proposals for building any further hotels, motels, backpacker hostels, or the like, on government assets. The only other point I would make is that the Adelaide Oval is an unusual asset, which I think the former government will be aware of, in relation to the financial arrangements that were entered into by the former government and have now been modestly extended by the new government.

ADELAIDE OVAL PRECINCT

The Hon. T.A. FRANKS (14:43): Supplementary question. Given the need for transparency in communication in government, what administrative arrangements has the Treasurer made to ensure that no emails end up in the junk box, unseen, in the future?

The Hon. R.I. LUCAS (Treasurer) (14:43): I thank the honourable member. I have instituted comprehensive administrative reforms as a result. They are comprehensive and they involve checking the junk box on a regular basis. I do not know whether you can be any more comprehensive than that. The honourable member has my assurance that there has been a detailed investigation/inquiry, and comprehensive administrative reform involving what I have just indicated has been implemented by my office.

ADELAIDE OVAL PRECINCT

The Hon. C. BONAROS (14:44): Supplementary: can the Treasurer also rule out the provision of gambling facilities on the site of the proposed hotel or, indeed, any discussions regarding gambling facilities associated with the proposal?

The Hon. R.I. LUCAS (Treasurer) (14:44): I am not aware of any proposal for gambling facilities. If the honourable member is referring to, I assume, gaming machines, the honourable member will know that in relation to gaming machines there is quite an onerous test that needs to be complied with, applications, etc. I am not aware of that. My understanding is that there is no proposal for gaming machines as part of that particular proposal. If, upon checking, there is anything different, I will bring back a different reply but certainly my understanding is—

The Hon. T.J. Stephens: Are you going to stop people using their laptops and phones to gamble?

The Hon. R.I. LUCAS: I think my colleague is interjecting, 'Will guests be allowed to online bet on their mobile phones there?' I suspect they will be. I can't categorically rule out the fact that there might not be any online gambling going on in the privacy of the bedrooms at the new hotel, so if the import of the member's question was to cover all forms of gambling then I can't rule out online gambling in the privacy of the bedrooms or the bathrooms of the proposed hotel. I suspect it is to gaming machine licences. My understanding from my knowledge and, as I said, minister Stephan Knoll has carriage of this particular infrastructure development, if there is anything different to what I have indicated I will bring back a different reply, but my understanding and expectation is that there is no proposal for a gaming machine licence application.

ADELAIDE OVAL PRECINCT

The Hon. F. PANGALLO (14:46): Supplementary: can the Treasurer tell us, has there been any expressions of interest or any discussions entered into with commercial operators to run the hotel and, if so, which ones?

The Hon. R.I. LUCAS (Treasurer) (14:46): Again, minister Stephan Knoll has carriage of this but my understanding is that the Stadium Management Authority made it clear that they are going to operate the hotel themselves, and therefore the answer to the question is no. I don't know whether there were ever any discussions but the current proposal is that there would be no commercial operators operating the hotel. Therefore, to answer the question, 'Which ones?' there will be no commercial operators operating the hotel.

I think I have seen media interviews where they have indicated that, within their body of existing management expertise, they have claimed that they have people either with the ability, experience or otherwise to manage a 128-bed hotel, or they will add that or augment their existing staffing to ensure they can operate a commercial hotel premises as part of their business. So the answer to the question is no, but if upon consultation with minister Knoll there is anything different to the answer, I will bring back a different response.

**FREEDOM OF INFORMATION ACT 1991
YOUR RIGHTS TO REVIEW**

EXTERNAL REVIEW BY THE OMBUDSMAN

If the Agency does not deal with your Internal Review application within 14 calendar days (or you remain unhappy with the outcome of the Internal Review) you are entitled to an External Review by the Ombudsman SA.

You may also request an External Review by the Ombudsman if you have no right to an Internal Review.

The application for review by the Ombudsman should be lodged within 30 days after the date of a determination. The Ombudsman's Office, at their discretion, may extend this time limit.

Investigations by the Ombudsman are free. Further information is available from the Office of the Ombudsman by telephone on 8226 8699 or toll free 1800 182 150 (within SA).

REVIEW BY THE SOUTH AUSTRALIAN CIVIL AND ADMINISTRATIVE TRIBUNAL (SACAT)

If you are still dissatisfied with the decision made by this Agency after an Internal Review or after a review by the Ombudsman, you can request a review from SACAT.

You must exercise your right of review to SACAT within 30 calendar days after being advised of the determination or the results of any other Internal or Ombudsman Review. Any costs will be determined by SACAT, where applicable. For more information, contact;

South Australian Civil and Administrative Tribunal (SACAT)
Phone: 1800 723 767 Email: sacat@sacat.sa.gov.au