

Is the Manuka Oval redevelopment plan a good deal for Canberra?

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The best argument against the people of Canberra giving Andrew Barr, and his Labor team, another term of government of the ACT is the susceptibility of Barr to the sort of "deals" that have major real estate developers offering to build "free" sporting facilities in exchange for the effective appropriation of hundreds of millions in value worth of ACT public land and development rights. That Liberals are as enthusiastic invites despair.

Fans of such deals proclaim, as some did this week, that they provide public infrastructure "at no cost to the taxpayer", or "without any need for government investment". That's nonsense. No one knows it better than Barr. Grocon, the developer, is asking for favours from the government worth hundreds of millions, and expects to make hundreds of millions in profits as a result. Only a bit needs to be siphoned off for any benefit to the public.

Barr is signalling that he smiles on a quid pro quo for about \$100 million of improvements to Manuka Oval. Grocon, and its token partner the Greater Western Sydney AFL team, will refurbish and improve the stadium "free" for land and the right to build alongside a 200-bed hotel, with an extra 80 serviced flats, a licensed club, and a mere 1000 residential dwellings, most presumably in high-rise flats.

It also wants to be allowed to build about 10,000 square metres of extra Manuka shops – that is an area amounting to about two football fields – and about the same amount of lettable commercial office space. Plus commercial parking for 450 cars (able by itself to generate \$1.5 million a year). In all, minus the works on the oval, a gross floor area of 140,000 square metres is involved.

Would the ACT government give such land and development rights to Grocon for an upfront payment of \$100 million, the amount they are offering by way of public dividend? Would that be a good deal? Or would it want to put such rights to tender, rather than to give a privileged insider position to the smarties who came in first with such an offer? If the ACT had a spare \$100 million, would upgrading the oval be in the top 100 priorities? If it were, might not rather more money be available for a more transparent, open market, arrangement?

Those wondering exactly what Grocon, and its front organisation, the GWS AFL organisation, are asking for might reflect that the ACT government recently secured nearly \$50 million for the site of the Allawah and Currong flats – a price I think would have been higher had the government the imagination to plan for the whole ABC flats area. This suggests that the Grocon plan involves about twice the blank cheque for virtually unconstrained development of a prime location.

Now Barr is briefing it out that he might be able to find some private sector angel willing to deliver just the same sort of "bargain" for a football stadium in Civic. At no cost to the public purse, of course. I bet he could.

Just another licence for some private sector body to print money – provided, of course, that those who plan it can strike a deal with the CMFEU. (Alas, as students of the recent royal commission into trade unions may remember, Grocon does not have a record of good relationships with the CMFEU. Perhaps the ACT Labor Party could mediate some arrangement with one of its biggest and most powerful member unions, itself a major building developer in the ACT. Perhaps, as usual, involving some phoney CFMEU memberships that can be parlayed into further entrenching the branch leadership.)

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The people and the institutions of ACT government have no systems to assess unsolicited deals offered to us. Our officials are not experts, or even very good in this field. Our leaders may not be as commercially fey as they sometimes think themselves. A good many of those who could give an expert opinion – such as the property and valuer lobbies – have obvious conflicts of interest, as do, often enough, fund managers eager to get in on the ground floor of profitable expropriations of public property. The government has shown, over the tramway proposal, a pathological shyness about exposing its calculations to external scrutiny. We need some independent sources of advice. We have no reason to assume the expertise of Barr or his advisers.

For the moment, we are asked to take on faith the propaganda, and glossy drawings, of the developers. And the simple, but not quite infectious enthusiasm and deep faith of Andrew Barr about what a good deal he thinks he has achieved. (And, no doubt, the detached and independent advice of the Land Development Agency, which has never seen a cheap and nasty deal it didn't love or lie down for.)

If experience is any guide, the public consultation process will be inept, and actually make the proposal more unpopular. One can expect that a secretive government will not disclose much in the way of whatever business case it has. Perhaps it will be described as "commercial in confidence". Those who ask questions in public will be testily insulted on public radio, be described as Nimbys and NOTEs, as killjoys determined to upset the public's simple enjoyment of cricket and footy, or perhaps (because the fate of Shellshock Corner is involved), be accused of being against the welfare of old Diggers.

A deeply politicised ACT public service has long surrendered duties of public stewardship to politicians. Many senior officials are fully paid-up servants of the idea that the local body politic can and should finance itself by selling off its land as quickly as possible.

It's an all too familiar example of the way in which responsible ACT planning and land management has been subordinated to being an adjunct to developer interests. Age-old rules about land speculation, land occupancy and market neutrality are routinely subverted for powerful interests, some of which exercise power inside the Labor Party. If there is no proof of actual corruption, there is a lot of evidence of people and organisations with inside influence on the system, or with the power to bully politicians and bureaucrats to get what they want.

The ACT government resists the idea of an Independent Commission Against Corruption. It has by far the most toothless Freedom of Information Act in Australia, possibly, now that Britain has one, in the Western world. A city founded upon concepts of public administration and stewardship, which ought to be setting examples of good government, lags in both policy and practice.

Canberra folk love top-level sport, at least while a team is winning. Politicians love the opportunity it gives them to hobnob with celebrities and sporting "heroes". All top-level sport in the ACT is heavily subsidised, directly and indirectly, by taxpayers, but the public would be shocked if it knew how much is involved, and how hard sports administrators work to keep the gravy train running. Most of the codes are paid incentives, never market-tested, to play here, sometimes against explicit threats that teams will otherwise make their headquarters elsewhere.

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Professional rugby, rugby league, Australian rules, soccer, and cricket organisations pay players hundreds of thousands of dollars. Subsidies have included "sponsorship" by ACT public corporations such as Actew. Other effective payments have come through the forbearance of the government over leases and lease-purpose clauses, and the foregoing of hundreds of thousands of dollars of revenue, as when, for example, the Brumbies were allowed to make millions by converting a club into flats in Griffith. The Raiders will be being gifted perhaps \$100 million when they are allowed to turn Braddon Oval, in which they have invested nothing, into a commercial and residential development, including, apparently, a commercial car park.

Clubs associated with these professional sports were originally given free leases, and large entitlements to poker-machine revenue, at times when the sports in question were locally organised and only semi-professional, and the bond between members personal. Now these clubs are large impersonal money-making factories, whose "community dividend" is trifling and accountability to membership almost non-existent. How successfully such clubs now operate their poker machines to profit from their customers may reflect the variable quality of club management. But the actual value of a poker-machine licence, (propped up by an artificial scarcity) must be counted as a boon from the collective of ACT citizens, not a result of the sweat and toil of a particular membership.

It is not impossible that the present annual value of subsidies to elite sports is half the cost of maintaining our bus system, say \$50 million a year. If deals at Manuka and over a suggested football stadium in Civic go through, the effective cost could easily double, even as Andrew Barr blithely pretends that the ACT government has had to pay nothing.

I have no necessary objection to the government's love affair with top-level sport, or to some judicious subsidy to particular sports. But there is no transparency in the process – something which suits the politicians as much as the sporting organisations. Money for sport, or to charity, should be by public appropriation, even when the payment is in the form of concession, discretion or opportunity foregone. Secret deals, particularly involving land, produce irregular precedents and anomalies. If boons are involved – such as land-development rights – there should be an open tender or auction, so that one can be sure that true value for money is being achieved or calculated.

If the public knew how much money was involved, or how the arrangements subvert our systems, particularly proper and orderly planning, it is likely that it would demand major cuts. Some, who would not object to some subsidy, would demand diversion of resources towards schools and hospitals, and social welfare programs. Or, perhaps much more investment in junior sport, and fitness programs.

But if I were a voter, I would wonder whether taxpayers get real value for money. It rarely reaps a political benefit, if only because the big parties vie with each other to prostitute the public interest and one is as bad as the other. I cannot think of a stadium named after a politician. Nor do any politicians, other than Bob Hawke and John Howard, get grudging credit for an unaffected love of a sport. Locally Kate Carnell invested more than \$30 million and much heartache in Bruce Stadium and committed successive governments to much more in recurrent expenses. But the stadium destroyed her political career, and its successor could well do the same to Barr. Her state-of-the-art affair lasted 30 years; there is no room for confidence that new ones would last longer.

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Andrew Barr has been shilling for a Civic Stadium for many years. One of the type he fancies, something like the Docklands Stadium, would cost the ACT taxpayer (one way or another, perhaps after an appropriation to a developer crony) about \$800 million. Voters will be slow to believe that this could ever be justified in cost-benefit terms.

But Barr has been indefatigable. In recent times he has linked it variously to a large-scale real estate development by the lake, a world-class swimming complex, and yet another revival of the age-old furphy – that a bit of tarting up of a dreary casino, adjacent to an open-once-a-week stadium, could liven up a social cemetery and create a "vibrant" precinct on the south part of Civic.

This is precisely the area most despoiled by apparently conscious policies of running down every part of Civic not controlled by the Canberra Centre. That the slow death of non-QIC Civic as a retail and social centre is itself a consequence of the incompetence and mismanagement of territorial planning and land management policies is yet another reason why the public should view the real estate development plan associated with the City-to-the-Lake scheme with great suspicion and cynicism.

But this is an irony lost on Barr, who seems to have come to believe (and to have persuaded his true believers) that anyone not for his plan is some sort of romantic trapped in the 1970s, that only he appreciates the new zeitgeist around new trendy inner suburban Canberra, and that his is a vision particularly adapted for the age and the needs of the territory.

New electorates may create a new dynamic with "local" factors. Barr is a candidate for inner Canberra. It is far from clear that all the citizens of this electorate will be delighted by either a Manuka or Civic sleight of hand over sporting stadiums. But it is also possible that voters in the other four electorates might be equally upset by the way that politicians are trashing the ACT birthright – its land base – for "solutions" unworthy of a state. If a \$100 million Manuka Oval is a priority, let's plan and develop it ourselves, along with any new office, hotel and retail space, if any, the area needs. Or put the idea up to transparent public tender, by agreed rules, with everyone having the right to bid. It's not just about sport. It's about good government.