

## **Former auditor general Tony Harris urges ACT to call tenders for Manuka oval**

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Former NSW auditor general Tony Harris says the ACT could squander a competitive advantage if it accepts an unsolicited bid to redevelop Manuka Oval.

Mr Harris, who has a lengthy background in weighing up the benefits of public-private partnerships, said ACT taxpayers would receive better value for their money if the government called open tenders for developing Manuka Oval.

He said taxpayers would never know the financial outcome if the ACT Government accepted an unsolicited bid from Australia's biggest property developer Grocon and Greater Western Sydney Giants AFL club.

The GWS Giants-Grocon \$800 million bid proposes a swathe of redevelopment including some of the Manuka pool for commercial and resident accommodation.

A Narrabundah resident, Mr Harris has scrutinised major public private partnerships, some of which saddled taxpayers with debts including a railway line to Sydney Airport.

"That was a PPP where Bruce Baird [Premier Mike Baird's father] said it wouldn't cost the taxpayers \$1 and he was quite right. It cost them \$700 million," Mr Harris said.

The Inner South, Kingston/Barton and Griffith community groups say Mr Harris, an experienced and respected national commentator on PPPs, has identified problems in each of the ACT Government's six models for unsolicited proposals.

Mr Harris said a government couldn't negotiate nearly as well as the private sector and doesn't have the private sector's level of skills, incentives, or penalties for failure.

He believed it was best to break up a project the size of Manuka's proposal and introduce competitive pressures into each section. "Because an outsider cannot validate or invalidate the cost estimates put up by the private sector," he said.

"The best moderator is competition and when you don't have competition, you are having a faux materials to try to emulate the result competition would give you, and you can't do it properly.

"I would separate the [Manuka] stadium from everything else. If the government wants to do the stadium, it should seek a tender. It will never know whether the price or the costs estimated by Grocon are reasonable.

"When Transfield did the Sydney Harbour tunnel, it made all of its profits – because it is an unprofitable road – from the construction. Transfield was a construction company. There was no tender for that, so we have no idea, and you can get any number of experts, and they will have no idea either whether their costs were reasonable or not," he said.

GWS Giants chairman Tony Shepherd negotiated Transfield's role in the tunnel partnership project.

Mr Harris said it stood to reason Grocon and GWS Giants were making a bid because of the profit, but taxpayers didn't know whether it was an efficient profit for the risk they were undertaking, and not a super profit.

He said if land was to be developed it should be put out for tender. New planning rules could be introduced, or a competition for the development, judged on value for money and design features.

"We don't know [with an unsolicited bid] what the government is losing on the sale of the land.

"Tender out the stadium, and pay for it from the receipt of the land. Break it up like that and then we will know we are getting the most efficient price for the stadium and we are getting best the price for the land," he said.

In development the land the government could adopt an open transparent process for trading off price considerations for other benefits allowed by the best proposal.

The community councils say this process should involve all the key representative bodies concerned in the immediate vicinity.