



Adelaide Park Lands Preservation Association, Inc.

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Patron: Rev Dr Lynn Arnold AO

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Stephan Knoll MP
Minister for Transport, Infrastructure and Local Government
Roma Mitchell House
PO Box 1533
Adelaide SA 5001

Dear Mr Knoll

Adelaide Oval Hotel

I am writing to urge you to reconsider the State Government's announced support for a controversial hotel, proposed for attachment to the Adelaide Oval, pursuant to the *Adelaide Oval Redevelopment and Management Act 2011*.

As you would be aware from media reports, this Association and many South Australians have grave concerns about the Government's announced intention to underwrite a \$42 million loan to allow the Stadium Management Authority to construct such a hotel.

Our Association has identified more than a dozen reasons why the Government should reconsider. These reasons are listed on an attachment to this letter. Despite the grant of development approval to the Stadium Management Authority on Friday 21 December, it is not too late for the Government to respond to well-founded community concerns and the legal issues that we have identified, and re-examine its hasty commitment to this commercial use of a portion of Tarntanya Wama (Park 26).

I urge you to consider carefully the attached reasons, and act on them by conferring with your Cabinet colleagues and seeking a change of Government policy on the proposed Adelaide Oval Hotel.

Yours sincerely

A handwritten signature in black ink that reads 'Damien Mugavin'. The signature is written in a cursive style with a long, sweeping underline.

Damien Mugavin
Secretary
31 December 2018

cc:

- Rachel Sanderson, MP, (Member for Adelaide)
- Tony Piccolo, MP, Shadow Minister for Planning and Local Government
- Lord Mayor, Sandy Verschoor, Town Hall, Adelaide

ATTACHMENT

Reasons to re-think Government support for the proposed Adelaide Oval Hotel

1. IT'S PARK LANDS

The Oval and its concourse are both part of Tarntanya Wama (Park 26). Notwithstanding that the proposed hotel would be suspended above the concourse, it would still be within Park 26, and therefore still part of the Adelaide Park Lands. There would be an adverse impact on the amenity and character of the remainder of Park 26, due to the tension between a 24-hour per day commercial hotel and the character of a public park.

2. NOT FOR PUBLIC BENEFIT

Under the *Adelaide Park Lands Act 2005*, park lands "should be held for the public benefit of the people of South Australia" This proposed private hotel would exist for private benefit, not public.

3. SPORT BUSINESS IS NOT CHARITY

Cricket and football played at the Adelaide Oval are multi-million dollar sports businesses. These businesses have had two enormous gifts from the taxpayer. First, the exclusive use of a very large playing area and associated facilities and second a taxpayer donation of \$535 million to build the stadium earlier this decade. It is galling to have the Government proposing another round of largesse to privileged commercial sports organisations by approving a 24-hour per day commercial enterprise on what is supposedly land for sports.

4. NO BANK WOULD TOUCH IT

No bank would lend to the Stadium Management Authority because it doesn't own the land. It's public land, held on trust for the people of South Australia. Taxpayers have a right to be concerned that the Government is prepared to endorse a loan that no commercial bank would touch.

5. UNETHICAL AND ANTI-COMPETITIVE

The Government is giving its backing exclusively to a private organisation to allow it to compete against every other private hotel in Adelaide and North Adelaide. This Government intervention in a private sector market has undermined the value of other private investment in the hotel industry, both past and present. This point has been made publicly by the Australian Hotels Association.

6. CITY COUNCIL AMBUSHED

By unilaterally announcing this hotel, the State Government neglected a duty to first raise the proposal with the Capital City Committee under the *City of Adelaide Act 1998*, to be considered for inclusion in the Capital City Development Program under section 11 of that Act.

7. DISREGARD FOR THE LANDLORD

Notwithstanding the provisions of the *Adelaide Oval Redevelopment and Management Act 2011*, the City Council remains the head lessor of the Adelaide Oval area. As you would be aware, the Council resolved unanimously on 11 December 2018 to oppose this proposal. Members of the Council had different reasons for so resolving, so that the Council's decision can be seen as cutting across all political or factional divides. This remarkable display of unanimity by the Council should give the Government pause for reflection. At the most basic level, what sort of lessee builds something that the landlord has unambiguously rejected?

8. IGNORING THE STRATEGY

The *Adelaide Park Lands Act 2005* provides for a Park Lands Management Strategy, to which both the Council and the State Government contribute. Notwithstanding section 11 of the *Adelaide Oval Redevelopment and Management Act 2011* it would have been good public policy and practice to have regard to this Strategy in making any decision about the use of the Adelaide Oval site, if only because the site is within Park 26 of the Park Lands. As you would be aware, the Park Lands Management Strategy does not envisage any new private hotel within the Park Lands as this would be inconsistent with the nature of a Park.

9. WHAT'S THE FOOTBRIDGE FOR?

The foot bridge over the River Torrens to the Adelaide Oval main entrance was provided at considerable taxpayer expense to make it easy to get between the Oval and City locations, including hotels. Is it too hard to walk across it?

10. LACK OF PROBITY

The haste with which this project was announced gives reason to doubt whether due process was followed in making the decision. Would the decision withstand an action alleging breaches of administrative law ("unreasonableness") or review by the Auditor-General on the basis of insufficient due diligence?

11. UNSEEMLY HASTE

The haste with which development approval was obtained (within nine days) gives rise to a public perception that special favours have been agreed, in private; favours that would not be available to others who do not have such access to Ministers. Whether or not that is in fact the case, the Government has exposed itself to that sort of speculation and innuendo simply by the manner and speed with which this proposal has been endorsed.

12. LACK OF MANDATE

The proposal to build a hotel in Tarntanya Wama (Park 26) represents a radical departure from Park Lands management over generations. It is surprising that such a profound policy shift was not foreshadowed by the Liberal party prior to the March 2018 State election. By not raising any suggestion of this nature before votes were cast, it can be argued that the State Government has no electoral mandate to commercialise this (or any) area of Park Lands.

13. POLITICS

As noted above, the Government has alienated people who would normally be its supporters, both on the City Council and in the hotel industry, not to mention thousands of Park Lands supporters who were disappointed with various Park Lands decisions made by the previous State Government. Government support for this project risk burning political capital and what would otherwise be considerable goodwill towards a newly-installed Government.

14. INCONSISTENCY WITH LAW

Sub-section 4(4) of the Adelaide Oval Redevelopment and Management Act 2011 provides that the Oval's Core Area "must be used predominantly for the purposes of a sporting facility". If a hotel were permitted to operate at all times as a commercial venue, then it would arguably change the predominant use (at least in a temporal sense) to become inconsistent with this provision.