

6 July 2018

Committee Secretary  
Transport & Public Works Committee  
Parliament House  
George Street  
Brisbane QLD 4000



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Dear Sir / Madam,

**Queensland Tennis Centre**  
**Transport & Public Works Committee Inquiry**

Thank you for providing Tennis Queensland (TQ) the opportunity to make a submission to this Inquiry in relation to the development of the Queensland Tennis Centre (QTC). TQ has been based at and held a lease over this facility since construction works were completed in late 2008 ahead of the inaugural Brisbane International event in January 2009.

**Background Information, Necessity, Purpose & Suitability**

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.

The reason for this was this site presented an opportunity for proposals to be submitted from developers to construct the QTC as well as a residential complex that would help to offset the costs of providing this facility. Following a procurement process conducted by the Department of Public Works & Housing, Mirvac were selected to design and construct the QTC and develop the adjoining Tennyson Reach residential complex.

The design development process was conducted with input from key staff and Board members throughout the design and construction of the QTC. 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.

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 of the ATP and WTA for the level of the event it had developed into.

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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.

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. 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.*

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.

In addition to this investment, TQ also invested additional funding into the initial development of the QTC to enclose two significant areas on Level 3. 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.

When PRA was designed, the capacity of this stadium was certainly considered at length. 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 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.

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 constructing a second covered stadium court with a capacity of around 2,500 people.

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 spaces, 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.

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.

### **Value for Money**

With the procurement process used by the state government to seek proposals from developers to for the QTC and Tennyson Reach precinct, TQ are of the understanding this process provided a very good value for money for Queensland. With an approximate original build cost of the QTC alone of around \$80 million, aside from a few improvements made during the design and construction process such as the roof over PRA, it is our understanding the main cost to Queensland Government was the provision of the site for both developments.

### **Revenue Produced & Recurrent Costs**

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 Works*

These figures obviously 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 revenue

The budget provided by SQ for these items varies from year to year based on the available budget SQ is provided with annually by the state government for all of their venues. TQ is required to manage expenditure within the annual advised budget allocations for each of these categories, with any over-expenditure against any of these to be borne by TQ. Due to careful management by TQ, this situation has not occurred to date during the life of this lease.

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.

### **Community and Economic Impacts**

The development of the QTC has had a significant impact on tennis in Queensland. 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 on 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.

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.

#### **Procurement Methods & Public Sector Involvement**

We have previously stated our understanding of the procurement process used by the state government to develop the QTC. We are sure other entities making submissions to this Inquiry will be better placed to provide more detailed and accurate information in this regard.

#### **Performance of the Constructing Authority, Consultants & Contractors**

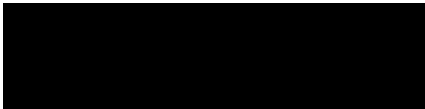
From a TQ perspective, the whole process relating to the design and construction of the QTC was a very consultative process. All parties, including the state government Public Works Department representatives, the contractor and their consultants as well as TQ representatives generally worked very well 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.

There were certainly some time pressures towards the end of the construction process to ensure it would be completed in time for the inaugural Brisbane International event in January 2009. Whilst some minor additional and remedial works were completed in the weeks after this event, none of these works were significant or detracted from this event. An approximate two year timeframe for the demolition of the de-commissioned power station that was formerly on this site followed by the design and construction of a relatively unique facility such as the QTC with a project value of approximately \$80 million is not considered unrealistic or excessive.

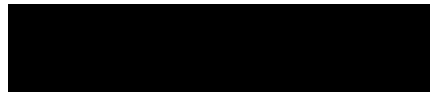
#### **Additional Information**

TQ recently also provided information to the Stadiums Queensland Taskforce in relation to our lease arrangements for the QTC. This information can be provided if requested and if it is felt this may also have some relevance to this Inquiry.

Yours sincerely,



**Mark Handley**  
CEO  
Tennis Queensland



**Michael Blomer**  
Facilities Development Manager  
Tennis Queensland