



UNIVERSITY of
TASMANIA

Sandy Bay Masterplan Risk Register

As at February 2021



Risk #1: Planning Scheme Amendment application is unsuccessful, restricted or suboptimal

Risk Description:

Risk that Tasmanian Planning process doesn't allow for a Planning Scheme Amendment (PSA) or places restrictions on usage of the Sandy Bay site.

Failure to ensure that the proposed Concept Masterplan adheres to the requirements under STRLUS and other key planning guidelines resulting in rejection of PSA or restrictions being placed on usage of the Sandy Bay site. Failure to secure support from Hobart City Council prior to lodgement may significantly impact the likelihood to success. Delays in granting of the PSA may result in a compressed design programme and timelines for impact assessments, which in turn could result in a compromised quality of output.

A number of buildings on the site have been identified with characteristics that lead to heritage consideration are worthy of protection. These buildings are already proposed to be retained and adaptively reused in the masterplan. However, COH could introduce a precinct wide heritage precinct overlay or introduce a heritage listing not intended to be retained, this could impact greatly on the development ability of the site

Potential causes:

- PSA is inconsistent with the objectives of LUPAA, Southern Tasmania Regional Land Use Strategy, State Policies or will lead to an unacceptable land use conflict
- Master plan does not have community or political support
- Insufficient information to support strategic case
- Stakeholders omitted
- Poor stakeholder engagement strategy
- UPPL not seen as "listening" to concerns
- Leaking of information that has not been appropriately curated for external consumption
- Lack of understanding of planning requirements re Activity Centres
- Proposed Concept Masterplan exceeds dwelling numbers contemplated in the STRLUS
- Incorrect strategy adopted to planning approvals
- Car park numbers cause additional pressure on Sandy Bay Road
- Scale of the project adversely saturates the market (consultants/contractors and investors)
- Limited compiled data on heritage building
- Poor documentation submitted to HCC.

Potential consequences:

- Non acceptance of PSA
- Impact on developer interest
- Limitations on optimising the Masterplan
- Impact on yield to UPPL and low capital return to parent
- Lobbying of representatives of the Planning Tribunal to the detriment of UPPL with resultant restrictions on the PSA
- Constraints placed on granting of PSA which limit future optimisation
- Subconsultant reports could be misaligned which could generate RFIs during the PSA assessment period
- HCC arbitrage the Southern Transformation Project against the SandyBay Masterplan outcomes
- Heritage precinct overlay or heritage listings imposed.

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

** Aspirational control – not yet implemented

Risk Appetite Statements (UPPL) *	Status	Commentary
Low appetite to renege on agreed commitments or remove key personnel or assets from communities, without considered programs of engagement with those communities.		Operating within appetite
Low appetite to enter into substantial commercial arrangements or partnerships without having considered those arrangements for alignment with 1) University strategy, 2) community expectations and 3) the context of our institutional social licence.		Operating within appetite
Moderate appetite for short-term negative government and community perception arising from decisions or circumstances which may be viewed unfavourably, however, will enable the achievement of strategic objectives or maintain key relationships (e.g. not criticising government policies to maintain strategic partnership).		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
Extreme	Engagement strategy developed for duration of the project	Effective	High
	Lessons learned incorporated from STP UDF	Effective	
	Comprehensive stakeholder mapping conducted with UTAS, [REDACTED]	Effective	
	SandyBay Masterplan	Effective	
	Relationship with HCC (specifically general manager and Councillors)*	Effective	
	Expert peer review of PSA pre-lodgement*	Effective	
	Approach adopted that embodies listening - "we listened, we did"	Effective	
	Confidentiality Agreements for all consultants. Staff reminded of confidentiality provisions in employment agreement	Effective	
	Established protocols for external communications	Effective	
	Economic impact assessment	Effective	
	Detailed list of the specific characteristics of each building within a citation	Effective	
	Heritage Strategy	Effective	
	Internal and external planning processes	Effective	
	Scenario planning for external opposers	Effective	
	Preparation of 'offensive' and 'defensive' strategies to objections	Effective	
	Engagement of external counsel	Effective	
Lodgement of the Forestry DA (associated controls)	Effective		
Legal risk strategy	Effective		

Risk #2: Environment conditions are significantly less favourable than assumptions

Risk Description:

Risk that existing site and environment conditions for development are significantly less favourable than assumptions held by UPPL and Parent at project commencement resulting in an adverse financial impact.

Previously unidentified environmental conditions, including threatened species, ground contamination, adverse geotechnical conditions, asbestos, adverse bushfire conditions, adverse drainage conditions, DOV vegetation proximity and significant trees may have major time and cost constraints, may restrict amount of land available for development. Heritage conditions and existing leases may also limit developable areas.

Potential causes:

- Lack of detailed survey information available
- Original grant of land imposes restrictions on future use
- Original surveys are incorrect and conducted in imperial measurement (accuracy in conversion to metric)
- Swift parrot habitat
- Inadequate review of consultants reports
- Pushback from community on heritage value
- Adverse geotechnical conditions
- Asbestos
- Under management of major drainage catchments
- Early design doesn't identify extent of slope management
- Hobart Significant Tree Register
- Current/new leases on Site restrict use of land
- Barrel drain/stormwater relocation and overlay of building footprint to existing services requiring diversion or relocation
- Existing infrastructure internal network needs to be upgraded to accommodate new loads
- Bushfire hazard impact
- Proximity to sensitive uses.

Potential consequences:

- Reduced area available for commercialisation
- Ability to optimise site restricted by third party interests
- Restriction on potential PSA and determination on "use" type
- Impact on PSA approval, DA approval, construction timeline due to POV proximity
- Cost and design considerations for BAL ratings
- HCC may introduce a precinct wide heritage precinct overlay or introduce a heritage listing not intended to be retained
- Major and extensive constraint on development / building design
- EPBC referral (which may take 12-18 months to be resolved)
- Impact on yield to UPPL and low capital return to parent
- Increase to project budget/program for additional excavation or retaining structures
- Reputational and brand damage with broader community.

Risk Appetite Statements (UPPL) *	Status	Commentary
No appetite for causing serious, lasting environmental harm from Property Co developments.		Operating within appetite
Low appetite to engage in any activities which have a negative environmental impact.		Operating within appetite
High appetite to actively factor in the achievement of our sustainability targets to decision making, including in the use of energy and natural resources		Operating within appetite
High appetite to protect and preserve Tasmania's cultural assets as part of Property Co developments		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
High	Review of title boundaries, easements, covenants and third party rights	Effective	Moderate
	Reconciliation meetings with architect and sub consultant on principles	Effective	
	External legal advice to confirm the original Land Grant does not restrict future use	Effective	
	Overlay the current design concept with the ecology constraints identified in the North Barker report.	Effective	
	Heritage report and survey	Effective	
	Concept servicing plan	Effective	
	Amended GES report included with the PSA	Effective	
	Bushfire Attack Level	Effective	
	Ground testing underway	Effective	
	Asbestos report	Effective	
	Complete flood model (or hydrological/hydraulic assessment)	Effective	
	new leases on site restricted or made in consultation with UPP	Effective	
	Review with UTAS to identify areas with cultural and historical importance to Community	Effective	
	Heritage Strategy**	Effective	
	Tasmanian Fire Service regular consultation	Effective	
Fire trail road maintenance**	Effective		

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

** Aspirational control – not yet implemented

Risk #3: Compulsory Acquisition of Land by Crown

Risk Description:




Risk that the Crown undertakes a compulsory acquisition of Sandy Bay land (or part thereof).

Potential causes:

- Change to government policy/support on UTAS.

Potential consequences:

- Reduction in land available for UPPL development
- "Market value" compensation from government
- Reputation impact of not meeting development commitments.

Risk Appetite Statements (UPPL)	Status	Commentary
Low appetite to enter into substantial commercial arrangements or partnerships without having considered those arrangements for alignment with 1) University strategy, 2) community expectations and 3) the context of our institutional social licence.		Operating within appetite
Moderate appetite for short-term negative government and community perception arising from decisions or circumstances which may be viewed unfavourably, however, will enable the achievement of strategic objectives or maintain key relationships (e.g. not criticising government policies to maintain strategic partnership).		Operating within appetite
High appetite to operate in a collaborative way which strengthens ties with community, building support and pride in UTAS, in spite of resulting delays to decision-making and project progression.		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
High	Relationship with State government managed by UTAS	Effective	Moderate
	Stakeholder Management Plan	Effective	
	Community appetite to develop	Effective	

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

Risk #4: Disproportionately high external (and internal supporting) infrastructure investment requirements

Risk Description:

Risk that investment in external infrastructure is disproportionate to the ROI. Risk that the existing external infrastructure network needs to be upgraded to accommodate development and that HCC require UPPL to fund changes to external road infrastructure to accommodate the Concept Masterplan resulting in significant additional costs.

Risk that other external infrastructure investments, including bus stop and telecommunication tower relocations have not been identified or costed. This may result in redundant or abortive work resulting in additional cost to infrastructure staging and technical considerations not being fully taken into account.

Further, uncertainty around ownership of roads, embedded networks, may affecting the ability of authorities to give feedback and in turn results in design assumptions that could otherwise have been locked in.

Potential causes:

- Lack of relationship with UPPL
- Inability of UPPL to describe broader socio-economic benefits
- Lack of detailed planning on alternative transport choices
- Site development exceeds capacity of external infrastructure
- Traffic plan doesn't demonstrate alleviating/managing congestion/flow issues
- Metro concerns or non-approvals
- Road access to lots
- External infrastructure connection points
- Potential engineering concerns with the gravity fed systems in precinct
- Uncertainty around road ownership
- TasWater / TasNetworks unable to provide public infrastructure or civil works to meet timing of development
- Masterplan has parking rates below the current statutory requirement (although CoH have provided preliminary advice that this will be acceptable but there may be community resistance or market feedback)
- Ongoing maintenance costs for common areas not appropriately estimated.
- Mount Nelson telecom tower relocation.

Potential consequences:

- Impact on development feasibility
- Impact on potential annuity return to UTAS
- Increase to project budget
- Impact on spatials
- Increase to project budget
- On-site additional mitigation or external upgrades may be required
- On-going maintenance costs and requirement for waste management strategy
- Re-design/impact on traffic management plan/carparking requirement
- Misalignment of staging and infrastructure capacity
- Embedded network service issues.

Risk Appetite Statements (UPPL)	Status	Commentary
No appetite for pursuing strategic financial decisions that are not based on evidence or expert advice.		Operating within appetite
Low appetite for not meeting the desired yield on our investment portfolio		Operating within appetite
High appetite for pursuing commercialisation or investment opportunities to discharge its objectives (e.g. maximum cash returns balanced by long term value whilst providing ongoing dividend revenue to the parent) and providing commercial advisory services to its parent.		Operating within appetite
High appetite to utilise the Property Co. model to realise gains on non-core university property through sale, leasing opportunities or other forms of commercialisation.		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
High	A transport assessment (inclusive of cars, public transport, and active transport options) to be undertaken based on the concept design and a sustainable transport strategy developed for the site and incorporated into the PSA that may supersede elements of the relevant access and parking codes.	Effective	Moderate
	Staging of the development	Effective	
	Topography reviews	Effective	
	Sub-consultants reports	Effective	
	Expert peer review of sub-consultants reports*	Effective	
	SandyBay Masterplan	Effective	
	Taswater site information	Ineffective	
	Intersection approvals detailed submission** (in principle support from CoH and DSG)	Effective	
	Management consultant advising on utilities	Effective	
	Consultants engaged with TasWater / TasNetworks and TasGAs	Effective	

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

** Aspirational control – not yet implemented

Risk #5: Local government impose restrictions on permits for subdivisions, developments and builds

Risk Description:

Risk that even after granting of the PSA, the Development Applications (DAs) for subdivisions and building projects are not obtained or are significantly restricted.

Further, delays in the granting process of these individual DAs may impact investment due to the inability to deliver on time.

Objections around building heights and visual impacts lead to queries during PSA, which may potentially result in increased (and adverse) media attention or community sentiment.

Similar to the PSA, failure to secure support from Hobart City Council prior to lodgement may significantly impact the likelihood to success.

Potential causes:

- PSA is significant restricted after granting
- Master plan does not have community or political support
- Insufficient information to support strategic case
- Stakeholders omitted
- Poor stakeholder engagement strategy
- UPPL not seen as "listening" to concerns
- Lack of understanding of planning requirements re Activity Centres.

Potential consequences:

- Restrictions on permits for subdivisions, developments and builds
- Impact on developer interest
- Significant delays
- Limitations on optimising the Masterplan
- Impact on yield to UPPL and low capital return to parent.

Risk Appetite Statements (UPPL) *	Status	Commentary
Low appetite to enter into substantial commercial arrangements or partnerships without having considered those arrangements for alignment with 1) University strategy, 2) community expectations and 3) the context of our institutional social licence.		Operating within appetite
Moderate appetite for short-term negative government and community perception arising from decisions or circumstances which may be viewed unfavourably, however, will enable the achievement of strategic objectives or maintain key relationships (e.g. not criticising government policies to maintain strategic partnership).		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
Extreme	Engagement strategy developed for duration of the project	Effective	High
	Comprehensive stakeholder mapping conducted with UTAS, [REDACTED]	Effective	
	SandyBay Masterplan	Effective	
	Relationship with HCC (specifically general manager and Councillors)**	Effective	
	Expert peer review of DAs pre-lodgement*	Effective	
	Approach adopted that embodies listening - "we listened, we did"	Effective	
	Confidentiality Agreements for all consultants. Staff reminded of confidentiality provisions in employment agreement	Effective	
	Established protocols for external communications	Effective	
	Economic impact assessment	Effective	

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

** Aspirational control – not yet implemented

Risk #6: Anti-University community sentiment (impacting investment and/or progress)

Risk Description:

Risk that negative stakeholder sentiment regarding the redevelopment or masterplan causes delays or decreased interest by developers. Ineffective stakeholder engagement may adversely affect relationships with staff, students, partners, the construction community (including developers) or the broader Tasmanian community. There is a risk that Community Action Groups that have already formed will grow in numbers and attract significant media coverage.

Potential causes:

- Master plan does not have community or political support
- Insufficient information to support strategic case
- Stakeholders omitted (inadequate representation across age or demographic)
- Inadequate timeline for consultation (see as a tick-box)
- Poor stakeholder engagement strategy
- UPPL not seen as "listening" to concerns
- Leaking of information that has not been appropriately curated for external consumption
- Perception of impact on localised congestion on Sandy Bay Rd and Churchill Ave
- Masterplan has parking rates below the current statutory requirement (although CoH have provided preliminary advice that this will be acceptable but there may be community resistance or market feedback)
- Heritage buildings not managed appropriately
- UTAS decant strategy in effective (buildings handed over in unfit / unacceptable condition)
- Attracting negative media attention (eg by removing trees etc)
- Inability to influence UTAS strategy.
- PSA is misinterpreted by public
- PSA is too prescriptive
- COH election timings.

Potential consequences:

- Adverse media coverage
- Reputational damage to UTAS / UPPL
- Protests
- Delays or significant cost/effort spent managing stakeholder relationships
- Lobbying of representatives of the Planning Tribunal to the detriment of UPPL with resultant restrictions on the DAs.

Risk Appetite Statements (UPPL) *	Status	Commentary
No appetite to act in a way which causes significant, sustained public protest against the University without the risks being carefully considered and steps taken to mitigate them		Operating within appetite
No appetite to undertake an initiative or strategic direction which irreparably damages the bond between substantial parts of the Alumni community and the University		Operating within appetite
Low appetite to fracture relationships with the media given their importance to the formation of key partnerships		Operating within appetite
High appetite to consistently work in partnership with others to strengthen our social licence in measurable ways		Operating within appetite
High appetite to operate in a collaborative way which strengthens ties with community, building support and pride in UTAS, in spite of resulting delays to decision making and project progression		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
High	Engagement strategy developed for duration of the project	Effective	Moderate
	Comprehensive stakeholder mapping conducted with UTAS, [REDACTED]	Effective	
	SandyBay Masterplan	Effective	
	Relationship with HCC (specifically general manager and Councillors)*	Effective	
	Approach adopted that embodies listening - "we listened, we did"	Effective	
	Confidentiality Agreements for all consultants. Staff reminded of confidentiality provisions in employment agreement	Effective	
	Established protocols for external communications	Effective	
	Economic impact assessment	Effective	
	Procurement Policy	Effective	
	Management group targeting UTAS/UPPL conflation	Effective	

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 ** Aspirational control – not yet implemented

Risk #7: Economically unfeasible (low return on investment)

Risk Description:

Risk that the project is unable to deliver adequate Return on Investment (ROI) / Net Present Value (NPV).

A downturn in the market may result in decreased developer interest, cost / assumption variance, contractor market restrictions or an inability to secure delivery partners for non core assets (such as aged care).

Assumption variances may have a significant impact on economic feasibility, for example assumptions related to retail in Precinct 5 (i.e. extent of retail may not be supported) or COH support for commercial office space in Precinct 2.

Further, there is a risk that failure to adequately stage the development of the project impacts on ability to optimise return on investment. The development will also need to deliver a number of community-use assets which may impact overall profitability. Economic market demand to support the amount of retail floor space is critical, especially for Precinct 5.

Potential causes:

- Market downturn
- Design adopted not attractive
- Investment/development model not attractive
- Failure to consider all relevant factors when staging development; market analysis flawed
- DeepEnd Services are not supportive of 5600m2 of retail floor space with a supermarket in Precinct 5
- Impact from overseas suppliers / Australian currency fluctuations
- COVID restricts movement and availability
- Failure to consider all relevant factors when staging development
- Sensitivity risk on the western boundary of existing houses abutting new apartment buildings
- Opposition to Development Application
- Excessive operational costs / OC activity
- Excessive Rates Equivalency
- Limited market appetite
- Lack of interest in site or location on site
- Current economic climate not supportive of asset class
- Uncertainty around asset class future in immediate term
- Titling strategy ineffective or restrictive on operation of site or requires excessive owners contribution to maintain
- COH or community perception that Precinct 5 will take busy from the CBD
- Incorrect legal structure for efficient market purchase.

Potential consequences:

- Low investment interest from investors
- City of Hobart or TPC may apply a maximum retail cap
- Impact on development program
- Impact on timing and quantum of UPPL yield, ROI, cashflow, duplication of infrastructure upgrades, loss of project efficiency, impact on UTAS decant to city
- Increase to project budget, reputational risk (perception not using local market)
- Delay to project
- ROI, cashflow, duplication of infrastructure upgrades, loss of project efficiency
- DA building height restrictions result in yield risk
- Inability to vest roads/space to council
- Barriers to sales
- Unable to deliver asset class in staged delivery
- Repositioning of asset within SBM
- PUPPL needing to fund delivery
- Titling restricts ability to traverse site with infrastructure or service site with waste
- Potential for either COH or TPC to reject or significantly alter PSA with retail cap in precinct 5.

Risk Appetite Statements (UPPL)	Status	Commentary
No appetite for pursuing strategic financial decisions that are not based on evidence or expert advice.		Operating within appetite
Low appetite for not meeting the desired yield on our investment portfolio		Operating within appetite
High appetite for pursuing commercialisation or investment opportunities to discharge its objectives (e.g. maximum cash returns balanced by long term value whilst providing ongoing dividend revenue to the parent) and providing commercial advisory services to its parent.		Operating within appetite
High appetite to utilise the Property Co. model to realise gains on non-core university property through sale, leasing opportunities or other forms of commercialisation.		Operating within appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
High	Staging sequence linked to capital expenditure for infrastructure upgrades (10 years)	Effective	Moderate
	Community appetite to develop	Effective	
	Split the current retail offering into two categories: ** - 2000m2 of specialty retail, food and beverage - Remainder of retail will be dedicated to market use	Effective	
	Stakeholder engagement plan	Effective	
	Titling strategy**	Effective	
	Effective selling rate analysis	Effective	
	UPPL are the Master Land Developer (retain control)	Effective	
	Market demand analysis	Effective	

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

** Aspirational control – not yet implemented

Risk #8: EPBC referral adversely impacts development

Risk Description:

There is a referral requirement to the EPBC that will be triggered in Precinct 5 in areas that are impacting DOV vegetation both with potential removal and anything within a nominated 30m buffer. UPPL are intending to self-refer.

While this referral process can run parallel to the PSA there is a risk that some elements may take 12-18 months to be resolved while other elements should be largely unaffected.



Without full approval, there is a risk that there is impact on development of sites and buildings across the masterplan. There is a buffer zone in place with the Masterplan to cater for a potential encroachment that may happen.

Potential causes:

- Insufficient land surveys
- Consultants reports inadequate
- Proximity to sensitive uses.

Potential consequences:

- Adverse impacts on timeline of development
- May delay future DA approvals of a number of buildings (based on advice from North Barker this is more of a procedural process)
- Buffer zone is encroached upon resulting in rework for consultants
- It is deemed a relatively low risk to the PSA but may delay future DA approvals of a number of buildings (based on advice from North Barker this is more of a procedural process).

Risk Appetite Statements (UPPL)	Status	Commentary
No appetite for causing serious lasting environmental harm from Property Co developments		Borderline appetite
Low appetite to engage in any activities which have a negative environmental impact		Borderline appetite

Inherent Risk	Control	Control effectiveness	Residual Risk
High	Economic impact assessment	Effective	Moderate
	Masterplan that has minimal impact on the DOV (noting that the additional mapped areas are deemed as low quality DOV from a conservative assessment)	Effective	
	UPPL management action re subconsultants	Effective	
	UPPL are Master Land Developer (retain control)	Effective	
	Masterplan that has minimal impact on the DOV (noting that the additional mapped areas are deemed as low quality DOV from a conservative assessment)	Effective	
	Ringfence affected buildings and progress for all the remaining **	Effective	
	Procurement Strategy	Effective	
	Ringfence affected buildings and progress for all the remaining **	Effective	

* Following Board approval of this risk set an assessment of current project operations against risk appetite will be undertaken by management and reported at the next Board meeting

** Aspirational control – not yet implemented

UPPL Risk Register Extract – PSA Risks

Risk Category

Financial

Engagement

Environment

Compliance

Our People

Operational Risk

Economically unfeasible (low return on investment)



Planning Scheme Amendment application is unsuccessful, restricted or suboptimal



Environment conditions are significantly less favourable than assumptions



EPBC referral adversely impacts development



Disproportionately high external (and internal supporting) infrastructure investment requirements



Local government impose restrictions on permits for subdivisions, developments and builds



Anti-University community sentiment (impacting investment and/or progress)



Risk Level	Inherent Risk	Residual Risk
Extreme		
High		
Moderate		
Low		