

Kangaroo Bay Development - Modified Development Proposal

PRESENTATION TO	:	CLARENCE CITY COUNCIL
PRESENTATION BY	:	CHAMBROAD AUSTRALIA
MILESTONE DATE	:	MONDAY 19 TH DECEMBER 2022

Executive Summary

- **Let's just get on with it...**

- After 6 years, we want to make this happen and not have to wait any longer for an educational partner
- We have a defined timeline within which we must deliver the Development

- **Kangaroo Bay is an iconic site, so it must be special**

- A revised 5-star Hotel - the only internationally branded Hotel on the Eastern Shore
- A new events and meeting facility spaces on the ground level – the only premium events facility integrated with a luxury Hotel serving the Eastern Shore
- A large public green-space and podium area accessible from Cambridge Road
- A pedestrian/cycle friendly ground floor access through the restaurant and meeting facilities and around the foreshore

- **Kangaroo Bay is a destination that people enjoy**

- The Kangaroo Bay precinct must be a destination in its own right – it must generate local and visitor traffic
- The development must be a focus on people accessing the site for daytime and evening entertainment and dining
- The development must be a focal point for activating the entire length of the Kangaroo Bay foreshore
- It's the place to go and the place to be!

- **From a staging perspective, the Modified Development has a build timeline**

- The 5-star Hotel **starting 2023**, with a 24 to 30 month build time, we anticipate completion in 2025
- The related lots (previously to be occupied by the Hospitality Training School) **during 2024-2025** with same completion date

Executive Summary – Modified Concept

- **Concept Designs to be further developed**
 - The Concept Design with supporting details are presented today – in a form that will continue to evolve after the Concept Design is presented to Council on Monday 19th December
- **The Design Approach is different because there is no hospitality training college**
 - The internal hotel layout must change to remove the various training spaces previously embedded in the design
 - The airbridge between the hotel and the other two buildings is no longer required
 - The ground and first floors of the buildings along Cambridge Road will no longer be for use by the College
- **The Concept Design is a contractual part of the draft Development Agreement**
 - The Concept Design submitted for consideration by Council on 19th December will include site plans, floor planes and architectural perspectives will form part of the proposed new contractual relationship embedded in the draft Development Agreement
 - The proposed new Development Agreement will be subject to Council's consideration
 - The design will be consistent with the Planning Scheme with those conditions previously approved by Council
- **The Concept Design will involve community engagement**
 - Chambroad will engage in an expanded two-step process in parallel with Council's pre-lodgement period that is beyond its statutory obligations (March/April 2023)
 - March 2023, first round briefing of commercial operators in Bellerive Village and Kangaroo Bay. Public forum to provide walk in opportunities and a number of group sessions.
 - April 2023, second round information session in proposed changes and enhancements.
 - Chambroad will also participate in the City Heart process to determine if there are opportunities for collaborations on the Kangaroo Bay site

Executive Summary – Concept Design

- **The Concept Design**

- The entirely new design reflects the withdrawal of the UTAS educational facility and change to hotel use only

- **The revised Design Criteria**

1. Iconic

- The hotel must be “iconic” with clear “architectural merit”
- “Sense of Place” – the built-form must integrate with the waterfront, yachts and surrounding natural bushland

2. Destination

- The design must be the local destination and focal point for Kangaroo Bay
- The hotel must be outward focused and easily accessible for all
- It must be “place making”– its alive, day-time and evenings
- It must enable vastly improved access along the foreshore and at ground level for pedestrians and cyclists

3. Activation & Connectivity

- Enhanced event, conference and meeting spaces to support the City Heart objectives
- Many more “things to do” specifically through cultural and community events in and around the ground floor facilities and the “Green Plaza”

4. The design to address previous community concerns

- Built form along Cambridge Road
- Built height should be less than the previous design

5. From the initial design stage, the development must be compliant with the Kangaroo Bay Precinct (The Wharf) planning requirements to enable the tight Development Agreement deadlines to be achieved

Executive Summary

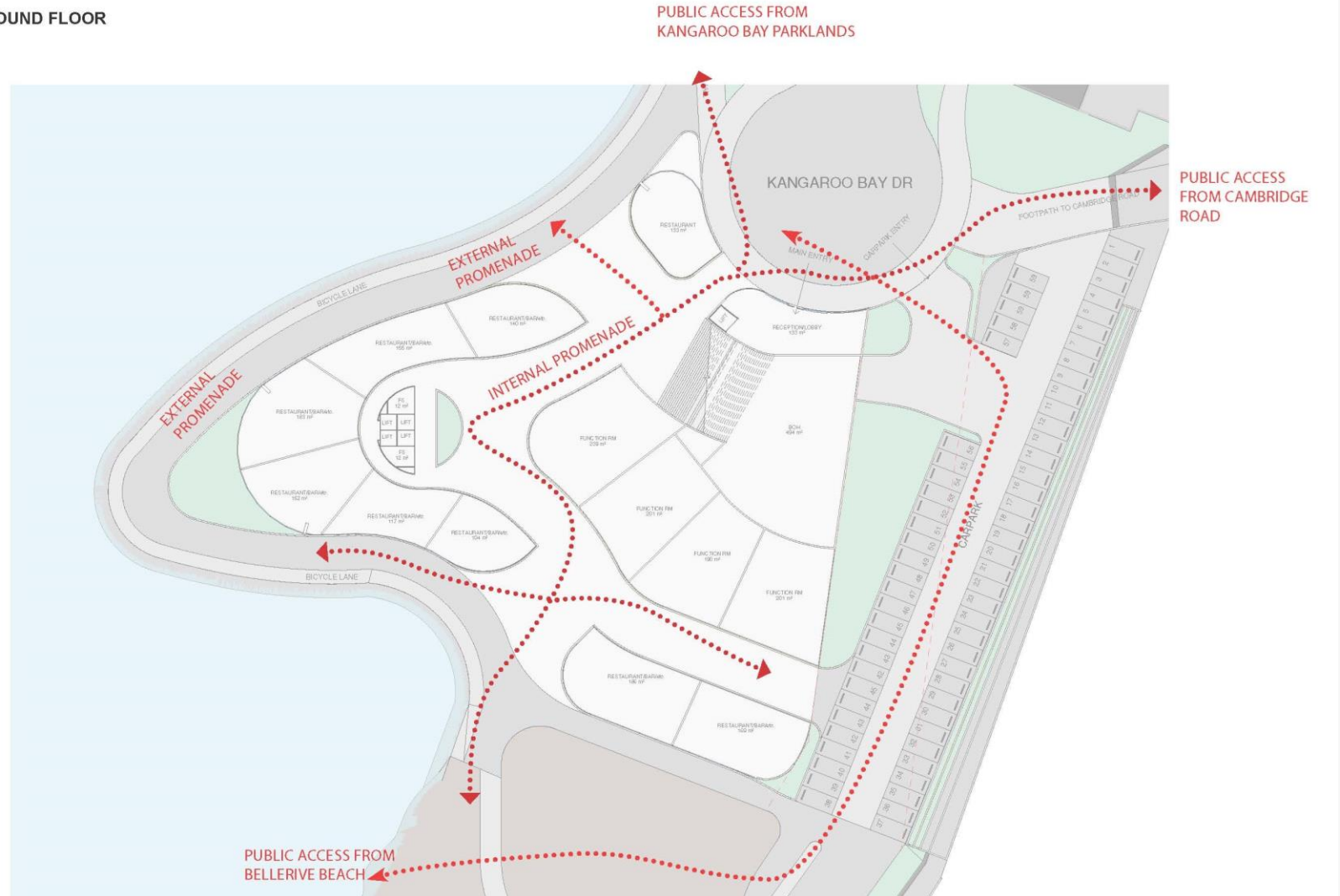
- **This is a very different project**
 - The modified development is for a hotel only development excluding the requirement to deliver an education facility
 - The design criteria are now solely focused on creating an outstanding facility that activates the entire Kangaroo Bay Precinct
- **The Hotel is an anchor point**
 - There is high demand for premium accommodation in Hobart and surrounding areas – and Kangaroo Bay will attract this market to the new hotel. The proposed new multi-purpose stadium will generate excess demand for room nights in Hobart that can only be accommodated in the new hotel.
 - 5-star visitor accommodation provides increased visitor night stays on the eastern shore using local facilities and businesses. 40-50,000 room nights with average expenditures of \$250 to \$350 per day. That is \$10.0M to \$17.5M per annum.
 - The opportunity is to create a vibrant hub in Kangaroo Bay that enables visitors to spend their discretionary dollars in the area, and create long-term high value jobs
 - The hotel creates an entirely new range of meeting and function spaces for locals and visitors. It will become a focal point for gatherings and indoor & outdoor events
 - The hotel design encourages links between Bellerive Village and the Rosny commercial centre
- **The new Green Plaza**
 - Open and accessible from both Cambridge road and ground level of Kangaroo Bay
 - This is a secure open space manage by the hotel for use by the community. It can also become an outdoor event space for community and commercial activities
- **It is the link between Bellerive Village and Rosny**
 - Create pathways for both pedestrians and cyclists separated from vehicle traffic with a better waterfront view or protected in all weather conditions
 - Create the linkages between the Village and Rosny businesses, BYC, Waterfront Hotel and other licensed food and beverage precinct options
 - Opportunities to enliven the many historic and culture stories of the old and new Kangaroo Bay as part of the City Heart revitalization

Executive Summary – Concept Design

- **Concept Design**

- The ground level is open to the public, accessible to the “Green Plaza” and with an enlarged waterfront boardwalk

► **PUBLIC ACCESS-GROUND FLOOR**



Executive Summary – Concept Design



Executive Summary – Concept Design



Executive Summary – Concept Design

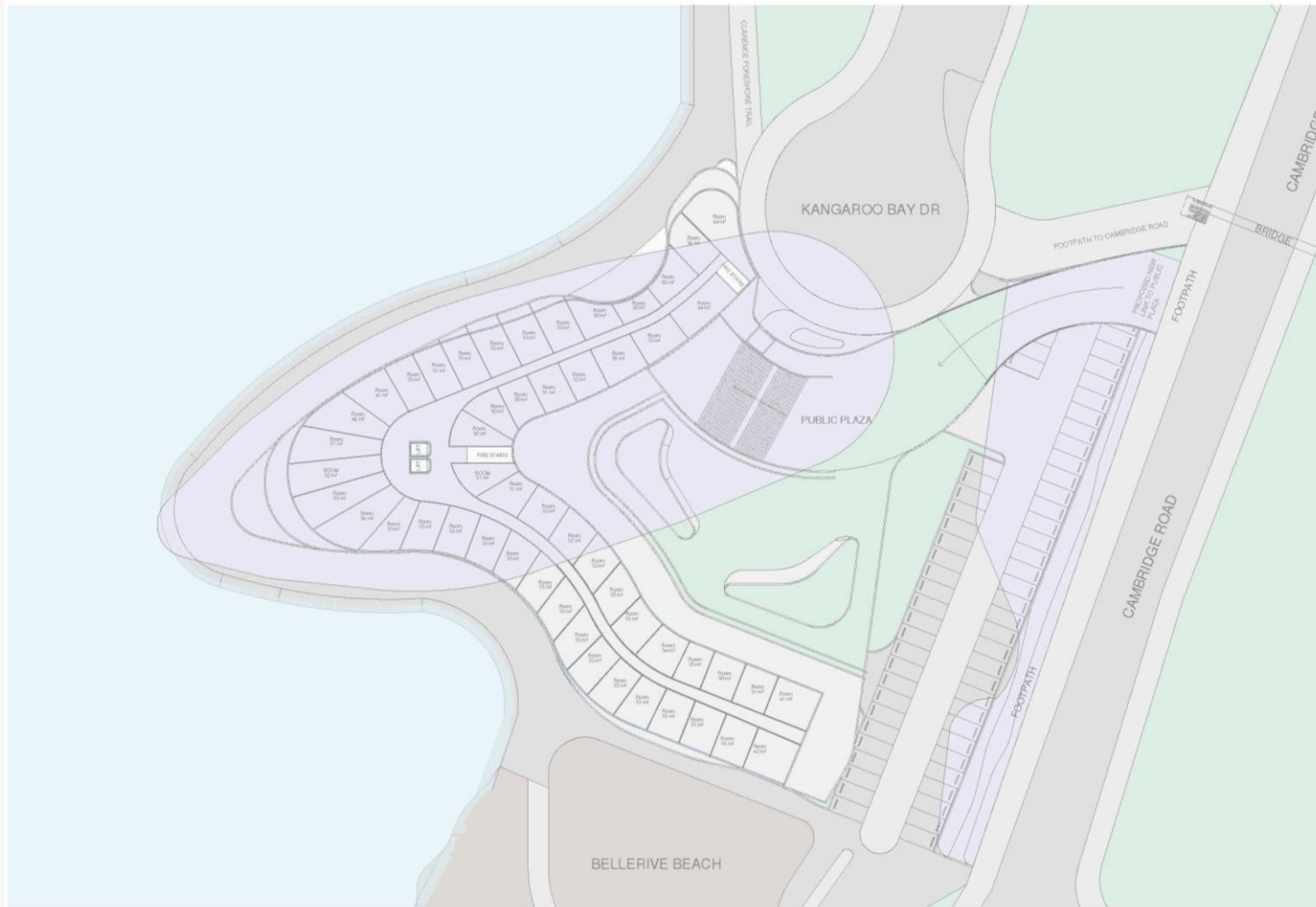


Executive Summary – Concept Design



Executive Summary – Concept Design

- Site vs Previous approved DA – footprint

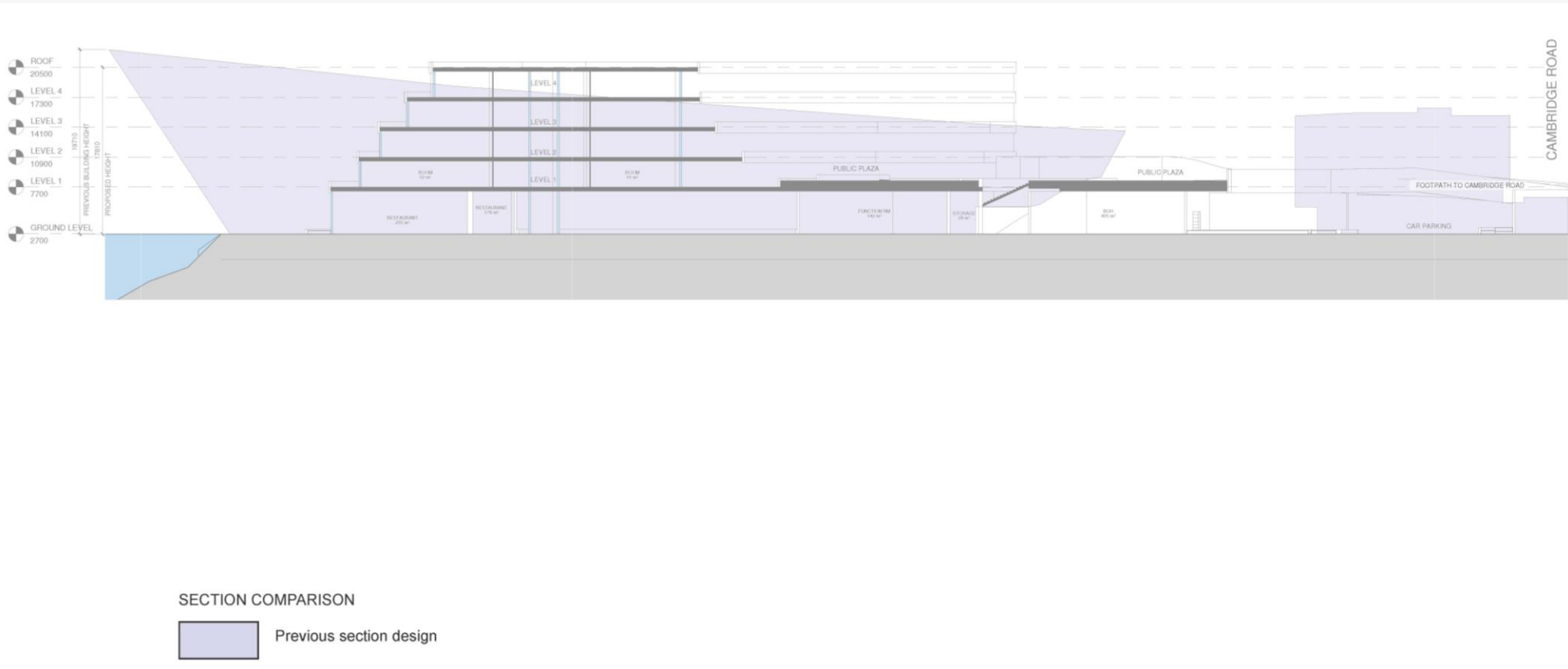


LEVEL 1 PLAN COMPARISON

 Previous plan design

Executive Summary – Concept Design

- Site vs Previous approved DA – height & building mass



Summary of Presentation

Meeting Contents & Discussion Topics

1. Background
2. The Way Forward – Modified Development
3. Governance Arrangements
4. Proposed Development Agreement
5. Next Steps
6. Open forum discussion

SECTION 1

Background

Background – Origin of the Kangaroo Bay Development

- **Chambroad's educational history**

- Chambroad began as a technical educational training school which evolved into a private business in the late 1990s;
- It has retained education as a major division of the Chambroad Group and currently operates within the N1N Division, partnering with more than 100 Universities around the World
- Chambroad Australia, through the N1N Division, has placed Australian students in internships for UNSW, Monash University, UWA and UTAS with Chambroad Group companies in China.

- **Between 2014 and 2016**

- Chambroad Australia was invited by the Tasmanian State Government (through the Office of Coordinator General) to consider undertaking a major development on several sites in Tasmania – Kangaroo Bay was selected;
- Chambroad has sought to create the Asian Pacific leading Hospitality Training College at Kangaroo Bay providing:
 - dual degrees at Master level – the most advanced college of its type and industry leading in Australia; and
 - an internationally recognised Hospitality Training College integrated with a 5-star Hotel.

- **In late 2017**

- Clarence City Council and Chambroad entered into the Sale and Development Agreement (**SDA**) requiring Chambroad to:
 - develop the Hotel and the Hospitality Training School as a singular integrated development;
 - contemporaneously achieve substantial commencement of both the Hotel and the Hospitality Training School – it does not enable Chambroad to only progress the development of Building A, or Buildings B & C.

Background - Delays

- **Agreement with TasTAFE**

- In early 2016 Chambroad entered an agreement signed by the Tasmanian Premier on behalf of the State Government's vocational and educational provider (TasTAFE) to design and operate the Hospitality Training School (integrated with the 5-star Hotel)
- Despite Chambroad having acquired the land in 2017, entered relevant Architect, Project Management, Hotel Management and Consultancy Agreements, and undertaken significant reclamation works on the land, TasTAFE withdrew from the Kangaroo Bay Project in late 2018.

- **Collaboration with UTAS**

- Following the withdrawal of TasTAFE, Chambroad entered a Memorandum of Understanding with UTAS in early 2019, to design and operate the Hospitality Training School (to be integrated with the 5-star Hotel);
- Chambroad worked closely with UTAS to negotiate their specific design requirements and finalise their Collaboration Agreement and long-term lease arrangements;
- Despite Chambroad having undertaken significant further design and project management work, for over 12 months, UTAS withdrew from the Kangaroo Bay Project in early 2021 citing the direct impact of the Covid-19 pandemic on the educational sector.

- **Covid 19 pandemic**

- The onset of the global COVID-19 pandemic caused the collapse of domestic and international hospitality training operations. It continues to affect the recovery of the hospitality training sector, and has frustrated, and continues to frustrate, Chambroad's ability to substantially commence the Development under the SDA (in its present form).

- **Chambroad Australia's commitment to Kangaroo Bay has been unwavering**

- Chambroad has demonstrated its ongoing commitment to progressing the Kangaroo Bay Development, despite the withdrawal of the key education providers, and other circumstances outside its reasonable control. Those events have frustrated its ability to substantially commence the Development under the SDA (in its current form);
- Both Clarence City Council and Chambroad Australia have been disadvantaged and frustrated by the delays.

Background - Project Investment

- **Investment commitment to Kangaroo Bay**
 - Chambroad has continued to make a significant investment into the Kangaroo Bay Development and Tasmania, despite delays outside of its control
- **Chambroad has incurred direct expenditure in excess of \$12m**
 - Expenditures (externally audited) comprising amongst other things:
 - the acquisition of the land at Kangaroo Bay
 - its long-term lease of the water areas for reclamation and waterfront boardwalks (as required under the Planning Permit and SDA)
 - the acquisition of the preferred developer rights
 - early works (Stage 1A) undertaken to the land in 2018 in accordance with the Planning Permit and the SDA, which included the relocation of the underground storm water and drainage; scientific study of Hand Fish and protective breeding units; Geotechnical study; and the completion of the boardwalk reclamation to provide public access and walkways around the site
 - significant design and re-design works to facilitate the requirements of TasTAFE and UTAS
 - finalisation of the Hotel design in accordance with the branding requirements of the international Hotel operator
 - the engagement of architectural, legal, engineering and other specialist consultants
 - the relocation of key project staff to progress the Kangaroo Bay Development.

Background - Core Issues

- **Status of the Development under the SDA**

The status of the Development and works undertaken by Chambroad are contained in relevant correspondence to Council. Amongst other things:

- Chambroad has achieved ‘Substantial Commencement’ under the Planning Permit
- from a physical construction perspective, the Development is ‘ready to go’.

Chambroad could have easily *substantially commenced* the Development under the SDA and removed Council’s ability to buy back the Land. Chambroad has however (in good faith) chosen not to do so. Without a qualified educational partner, and its input into the design of the integrated buildings, the land is at risk of being land-banked until an educational provider committed (which is presently unknown due to the ongoing impact of Covid-19 on the hospitality educational sector).

- **Other educational providers**

- Since UTAS’s withdrawal in May 2021, Chambroad has actively sought to engage with other hospitality and tourism education partners – within Australia and New Zealand, with suitable degree and higher degree accreditations – without success to date due to the impact of COVID-19
- The outcome is that a dedicated hospitality and tourism educational partner, with the capability to deliver up to a dual Masters degree level, is unlikely to be identified within the required construction timeframes.

- **COVID-19 has fundamentally altered the two markets in which the development was planned**

Tourism industry

- domestic tourism to Tasmania is rapidly recovering to pre-pandemic levels, particularly at the premium end of the market
- international tourism to Tasmania has yet to recover.

Advanced hospitality and tourism training

- demand and interest in tourism and hospitality careers from students particularly at the advanced level has substantially contracted
- international demand for tourism and hospitality training in Australia has radically consolidated and contracted
- constraints on international travel have limited physically attendance at on-site training.

Background – post Covid-19

In a post COVID-19 world

- **Tasmania is becoming an even more attractive tourism and hospitality destination**
 - Domestic demand is likely to recover to pre-pandemic levels during 2023
 - The premium end of the market is growing strongly with demand for unique visitor experiences and specialised accommodation
 - Hobart and surrounding areas are currently enjoying above average occupancy with higher average room rates leading investors to progress construction of stalled hotel developments
 - In this environment there is a real opportunity to progress the Kangaroo Bay Hotel at an early date.
- **Tourism and hospitality training is forecast to remain constrained by low levels of student demand into the foreseeable future**
 - Tertiary courses have been reduced or eliminated reflecting reduced student numbers
 - No new tourism or hospitality Colleges are under development, planned or announced
 - Practical (trade) training will likely be continued on location, but much of the tertiary education is likely to shift online – hence, there is likely to be a greater separation between practical ‘hands on’ training and tertiary education
 - Recovery of the sector is likely to be long, protracted and different
 - Potential educational partners are likely to have very different facilities requirements and operational expectations than currently envisaged.
- **Chambroad remains committed to the tourism and hospitality sectors**
 - The construction of the second Chambroad Group Hotel (since 2016) is nearing completion in China
 - Practical training delivered by N1N is well acknowledged and credited by University partners.

Background – Chambroad Australia's Position

- **Chambroad remains committed to the Kangaroo Bay Development**

- Chambroad has no wish to exit the Project
- Chambroad has engaged with an established national development partner – which owns and operates major brand Hotels in Australia, and is seeking a Tasmanian footprint;
- An input of equity, experience and industry knowledge by our Development Partner will enable us to:
 - continue with the Kangaroo Bay Development in a way that does not require a partner with a sole educational focus, but which still significantly conforms with the current intent of the site; and
 - accelerate the commencement and completion of the Kangaroo Bay Development, within a much quicker period than under the current SDA timeframes (which are reliant on locating an educational provider).
- We have demonstrated that the Project is and remains
 - “*Design Ready*” – it has an existing Planning Permit (which has been substantially commenced);
 - “*Shovel Ready*” – we have undertaken construction tenders and, are able to proceed, subject to issue of a Building Permit
- We have progressed the design for the Modified Development so that we can finalise our application for a Planning Permit, as soon as the new Development Agreement is approved.

- **Chambroad's present options**

1. **Proceed with the Modified Development:** Chambroad's preference is to proceed with the Modified Development, under the terms of the Development Agreement negotiated with Council Officers . To be clear, Chambroad seeks to develop and open the 5-star Hotel and complete the overall Development to achieve the desired commercial and community outcomes at Kangaroo Bay; or
2. **Proceed with the Development under the SDA:** Chambroad is prepared to fulfil its obligations under the SDA – however, having regard to the requirements of the SDA, this will require a further extension (as has been formally requested by Chambroad) to secure a qualified and accredited educational provider to operate the Hospitality Training School (which needs to be integrated with the Hotel).

The Modified Development will create hundred of jobs for Tasmanians during construction and provide a recognised internationally branded 5-star Hotel into the Tasmanian market which will significantly benefit the State's tourism industry, the City of Clarence, Greater Hobart and the State of Tasmania.

SECTION 2

The Way Forward – Modified Development

The Way Forward

- **Modified Development staging**

From a staging perspective, the Modified Development envisages Chambroad undertaking construction of the:

- 5-star Hotel **during 2023**
- The area along Cambridge Road previously to be occupied by the Hospitality Training School **during 2024**.

From a staging perspective, the Modified Development envisages Chambroad completing construction of the:

- Hotel with a 24 to 30-month timeframe to reach practical completion by 2025
- The area of the design along Cambridge Road with a 12-month timeframe to reach practical completion by 2025

- **Reasons for staged approach**

- Construction needs to be commenced on the Hotel first so that all building achieves practical completion around the same time – and the entire Kangaroo Bay land is then publicly accessible and activated
- The construction areas are very tight – as such, future car parking areas are required as pre-construction areas, the staging will assist with our construction workflows and timeframes
- Lot 11 is required to be kept as a ‘pass-way’ during the construction phase to enable access to the Bellerive Yacht Club

The Way Forward – proposed staging

- **Construction of the Hotel and services**

- The Hotel will be developed as a 'stand-alone' 5-star Hotel – Chambroad believes the site justifies an 'iconic' Hotel
- All hotel rooms will be consolidated into the main hotel building
- The Hotel interior will be entirely redesigned whilst maintaining the 5-star fit and finish, as required under the global hotel brand design contract
- Hotel design provides for a more open and accessible ground and first floors, that surrounds the Building

- **Construction of the events and meeting spaces**

- Chambroad envisages a substantial redesign of the functions of the built forms on the area previously allocated to the UTAS College
- The redesigned area envisages
 - the ground floor would comprise an appropriate space for events, exhibitions and functions – with food and beverages provided by the Hotel and co-ordinated by the Hotel events team
 - the first floor will be occupied by the “Green Plaza”

The Way Forward – Project Milestones

Stage 1 Milestones

Stage 1			
No.	Milestone		Timeframe
1A	Preliminary Planning Assessment	Chambroad Australia submits draft documentation for the Stage 1 works with the Clarence City Council for Preliminary Planning Assessment	31 March 2023
2A	Development Application	Chambroad Australia lodges a Development Application for Stage 1 with the Clarence City Council	30 June 2023
3A	Provision of Further Information	Chambroad Australia responds to further requests for information from the Clarence City Council (if any) in relation to the Development Application for Stage 1.	Within a reasonable timeframe of receipt of the request for further information from Council
4A	Hotel Management Agreement	Chambroad Australia provides Council with written confirmation from the operator of the Hotel that Chambroad Australia has entered into a Hotel Management Agreement	30 days from the satisfaction of the condition precedent in clause 15.1(a) (Planning Permit)
5A	Construction Contract	Chambroad Australia provides Council with written confirmation from the Contractor that Chambroad Australia has entered into a Construction Contract for the Development Works	60 days from the satisfaction of the Milestone in Item 4A (Hotel Management Agreement)
6A	Substantial Commencement	The Development Works achieve Substantial Commencement in accordance with clause 7 (Substantial Commencement).	The earlier of: (a) 60 days from the satisfaction of the condition precedent in clause 15.1(b) (Building Permit); and (b) 12 December 2024 (subject to clause 15.4).

Stage 2 Milestones

Stage 2			
No.	Milestone		Timeframe
1B	Substantial Commencement	The works for Stage 2 have been physically commenced.	12 December 2025 (subject to clause 15.4).

SECTION 3

Governance Arrangements

Governance Arrangements

- **Updates for Council and Community**

Chambroad will provide regular updates for Council and the community including the achievement of project delivery timelines in accordance with the new Development Agreement.

- **Reporting obligations under the Development Agreement**

Under the proposed new Development Agreement, Chambroad will provide

- Regular updates to Council and the community including the achievement of the Milestones, and other events which may be of interest to the community
- Progress reports detailing the progress of the Development
- Periodic reports during construction of the works as to when the works have been completed to 25%, 50%, 75% and 100%.

- **Public release**

Following meetings and reports, Chambroad will agree to release information to Councillors and the community by using a variety of communication channels including their respective websites.

SECTION 4

Proposed Development Agreement

Proposed Development Agreement

Draft Development Agreement

Chambroad has provided Council with a draft Development Agreement that defines the basis on which Chambroad Australia will undertake the Modified Development

The Development Agreement has been negotiated with Council and can be executed once there is 'in principle' agreement to proceed with the Modified Development Proposal following Council's decision on Monday 19th December 2022.

Key terms of the Development Agreement include

- Chambroad must discharge its obligations for each Stage within time periods specified in the Project Schedule (refer to slide 24), and ensure that Substantial Commencement of the Hotel occurs within the agreed timeframe
- Chambroad must ensure that all relevant planning and buildings approvals are obtained for each Stage within specified timeframes
- the SDA will end upon the signing of the new Development Agreement
- Council can terminate the new Development Agreement if Chambroad fails to achieve the specified Milestones at each stage; and
- Chambroad must comply with the reporting obligations (refer to slide 26).

Chambroad considers that the proposed Development Agreement provides appropriate comfort and certainty to Council regarding the commencement and completion of the Modified Development.

SECTION 5

Next Steps

Next Steps

- If this proposal for the Modified Development is 'in principle' acceptable to Council, the parties can progress rapidly to the signing of Development Agreement.
- Following the execution of the Development Agreement, Chambroad will
 - Finalise the plans and specifications based on the Concept Designs appended to the Development Agreement
 - Submit detailed plans to Council for preliminary planning assessment under the standard Council process
 - Thereafter, it will lodge a Development Application in accordance with the agreed project Milestones.

Rejection of the Modified Development

- If the Modified Development is not approved, Council must advise Chambroad whether, or not, it consents to Chambroad's request for an extension of time under the SDA until 12 October 2024.
- If Council:
 - agrees to extend the time under the SDA, Chambroad will continue to seek an educational partner for the Hospitality Training School, and undertake the Development when that occurs; or
 - does not agree to extend the time under the SDA, it must provide written reasons for its decision, and (whilst loathe to do so) Chambroad will need to consider its available legal options.

Closing comments – let's get on and make it happen!

- The Modified Development (without the requirement for a Hospitality Training School) will enable Chambroad to accelerate the Kangaroo Bay Development within a much quicker period than alternate development timeframes
- Chambroad wants to “get on with the job”, put the COVID delays behind it, and seeks Council and community support to enable the Hotel to be commenced as soon as possible
- The Kangaroo Bay Project will serve as a community benefit focused project – resulting in:
 - an improved iconic location and destination;
 - a luxury hotel with a mix of contemporary food and beverage outlets
 - an entirely new events and function centre in Clarence;
 - the activation of the entire Kangaroo Bay precinct for locals and visitors, during day-time and evenings;
 - a significant increase of permanent and part time jobs located within the Clarence Municipality; and
 - the potential for the site to contribute to the City Heart Strategy
- We remain totally committed to the development of Kangaroo Bay Project and can deliver the Modified Development in a timeframe that is faster than any other alternative
- We seek your support in finally making this Project happen!

SECTION 6

Letters of Support

Letters of support – Office of Coordinator-General

Office of the Coordinator-General

CH Smith Centre, 20 Charles Street, Launceston TAS 7250
Level 6 Salamanca Square, 4 Salamanca Place, Hobart TAS 7000 Australia
Phone +61 3 6777 2786
Email cg@cg.tas.gov.au Web www.cg.tas.gov.au



25 November 2022

Councillor Brendan Blomeley
Mayor of Clarence City Council
38 Bligh Street
ROSNY PARK TASMANIA 7018

Dear Mayor Blomeley

RE: Letter of Support for Kangaroo Bay foreshore development

The Office of the Coordinator-General is pleased to continue to support and help facilitate the Kangaroo Bay foreshore development.

Our Office is supportive of Chambroad Australia's plans that will see the delivery of a new, internationally branded, boutique hotel development. Chambroad Australia and its parent company have demonstrated a significant commitment to the project for over six years – despite many challenges not of their making – and during that time have consistently worked collaboratively and in good faith with other stakeholders to achieve a positive outcome.

A high-end boutique hotel, and the significant capital investment, will supply much needed premium accommodation to Hobart's eastern shore, addressing the needs of Tasmania's growing premium tourism market and providing the Eastern Shore's first 5 star facilities. The development is aligned with the Tasmanian brand proposition and will assist to further grow the State's reputation as a unique destination for both international and domestic tourists.

No-one could have predicted the COVID-19 pandemic and the devastating effect it has had on the global economy and, in particular, the dramatic impacts it has had on the Australian higher education sector (which has seen substantial disruption to the recruitment of, and delivery to, international students) and the international, interstate and local tourism and hospitality industry (which has been hit hard in so many ways by – and particularly, in – the global pandemic). These impacts have had a dramatic impact on the project and has contributed to the prolonged timeframe.

Tasmania's tourism numbers have grown strongly since interstate and international border restrictions were lifted, but have not fully recovered to pre-covid numbers. Despite significant increases in the supply of tourism accommodation in the Hobart region over the past three years, occupancy levels in Hobart hotels have improved substantially and are within around 10% of pre-pandemic levels despite this growth. The increase in supply of high-quality tourism accommodation in Hobart has also coincided with growth in the premium market and a significant increase in spend per visitor, which is supporting local jobs and the wider economy.

International tourists and particularly international student numbers have been far slower to return, which has led to greater uncertainty in the higher education sector. We have been advised that there is less confidence and predictability in the hospitality training industry given the disruption that the tourism and

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hospitality industries have also experienced. It was the sector uncertainty that contributed to UTAS's withdrawal from the project and given that withdrawal was during the pandemic, those ongoing sector dynamics have impacted the ability of Chambroad to engage another suitably qualified educational partner for the project.

Through our ongoing engagement with Chambroad, we understand that despite all of the challenges that were not of its making, it remains committed to delivering the project. However, because it is not possible to engage an educational partner or likely in the foreseeable future, it would prefer to proceed with a modified development that changes the use of the proposed buildings for the hospitality training school to commercial uses that comply with the permitted uses under the Kangaroo Bay Planning Scheme.

The development of a high-end boutique hotel is a unique opportunity for the Clarence region and would contribute to the Tasmanian tourism industry's ongoing development. We remain committed to working with Chambroad, to help them see the project through to realisation.

We would be supportive of a request by Chambroad to proceed with a modified development for the project.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Perry".

John Perry
Coordinator-General

Ph: +61 3 6777 2804 (Direct)
E: john.perry@cg.tas.gov.au

Letters of support – Hotel Operator

A letter of support received from Hotel Operator, which to be remain Commercial in Confidence and we quote as the following:

- “We submit this letter to Chamborad Overseas Investment Australia Pty Ltd as confirmation of our ongoing support and involvement in the proposed hotel development at Kangaroo Bay. We believe that the design of the hotel will be iconic for Hobart and Australia in terms of architecture and experience, and we look forward to continuing our partnership in brining this visionary development to fruition.”
- “We can confirm that we have been engaged since 2018 under Hotel Consultancy Services Agreement to support the development of the hotel design and would be pleased to continue engaging in a Hotel Consultancy Service Agreement to support the completion of the design development and delivery of the hotel. This will ensure that the hotel is designed and developed in accordance with the brand standards and delivered to an international standard.
- “We look forward to continuing working with you on this visionary project. “

Letters of support – Destination Southern Tasmania



12 December 2022

Re: Chambroad hotel development, Kangaroo Bay

Dear Finely Zhang

I hope you are very well.

I believe there is incredible opportunity for Greater Hobart and especially the municipal area of the Clarence City Council when we consider developments at Kangaroo Bay and the Bellerive area.

The Clarence City Council municipal area has a number of small high-quality B&B businesses, however the capacity for tourism growth is limited due to the lack of scaled accommodation to attract visitation and business events to activate the area.

Thank you for taking the time to present to us your vision for the hotel development currently in consideration by the Clarence City Council.

I would like to focus on areas that we consider crucial for the success of projects like these and others of their ilk in Tasmania.

Based on similar developments over recent times the markers of success fall into a few different areas. Firstly, the visitor experience needs to be considered, it is essential that the development proposed is positioned as a destination hotel with a high-quality visitor experience. This is about understanding the visitor market and positioning the hotel development to align with the segment of the market that we are currently capturing as a state and expect to into the future. Currently the successful hotels are pitched at the 4–5-star end of the market, with high quality visitor experiences and this is where we are seeing growth and high occupancy.

Secondly, we should consider the corporate incentive and business events market. Ensuring that the hotel development has capacity in its event space to attract this market will assist the seasonal aspects of visitation as the business events sector traditionally activates during the winter season.

Thirdly is ensuring that the operation of any hotel development is delivered by a company that understands the Tasmanian tourism landscape and are willing and able to collaborate with existing opportunities, like the winter and summer stream of events that are delivered in Greater Hobart. Examples of these are Dark Mofo, Festival of Voices, Clarence Jazz Festival, AFL, Cricket, The Taste of Summer and/or participation events like the Hobart Airport Marathon, Ironman70.3 and others.

As an organisation we do not traditionally offer support or otherwise for individual developments but rather let them run their course through the legal processes, stakeholder consultation process and development application process.

Best regards

A handwritten signature in blue ink, appearing to read "Alex Heroys".

Alex Heroys
CEO, Destination Southern Tasmania

Level 2, 13-17 Castray Esplanade Hobart Tasmania 7000 | PO Box 184, Battery Point 7004
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Disclaimer

The information contained in this pack provided to the Clarence City Council is confidential in accordance with the Deed of Variation.