

Division 32: Western Australian Sport Centre Trust, \$89 312 000 —

Mr I.C. Blayney, Chair.

Mr M.P. Murray, Minister for Sport and Recreation.

Mr D. Etherton, Chief Executive Officer.

Mr D. Harris, Project Director, Perth Stadium.

Mr G. Nordsvan, Chief Financial Officer.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 29 September 2017. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for South Perth.

Mr J.E. McGRATH: I refer to page 372 of budget paper No 2 and the operation of Perth Stadium. My question is about the ongoing deal negotiations with the West Australian Football Commission. I am informed that the football commission is currently waiting for a response from the state government to its proposal of an ongoing arrangement. Can the minister inform the committee where this discussion—

Mr M.P. MURRAY: Again, I am a little confused about the page numbers that the member is using. Is it in this division?

Mr J.E. McGRATH: Yes, on page 372.

Mr M.P. MURRAY: We start at page 483.

The CHAIR: Apparently, this is the case, member for South Perth.

Mr J.E. McGRATH: When can we ask a question about the stadium deal with the football commission?

The CHAIR: Member, you have to link your question to a page in the current division that we are looking at.

Mr J.E. McGRATH: I refer to page 372 and the second dot point under "Promoting Sport and Active Recreation", which states —

The Perth Stadium is in its final year of the project delivery phase.

The CHAIR: The reference has to be within the current division that we are looking at, which is division 32, Western Australian Sports Centre Trust, starting at page 483.

Mr M.P. MURRAY: Perhaps the member for South Perth might want to ask that question under page 483. Do not say I do not do anything for you.

Mr J.E. McGRATH: I ask the same question under page 483, "Significant Issues Impacting the Agency". Can the minister inform the committee where the government is at with the negotiations with the West Australian Football Commission about the ongoing funding of football out of the running of the stadium?

Mr M.P. MURRAY: I can do, but, again, there are sensitivities in there that we will not go into. I am very hopeful—I will say it again because I have done it for about five weeks running—that an agreement will be reached this week. My understanding is that there are two meetings. One will be held today between the government and the WA Football Commission executives, and one will be held tomorrow, concerning the use of the stadium and the agreement with the WA Football Commission about the funding of that grassroots sport into the future. Having said that, it has been a bit frustrating, to say the least, and protracted. I must say that if I had been running the show under the previous government's watch, I would have been asking those questions at the start about who is going

to use the stadium and how much it will cost, before it was actually built. If I was building an entertainment centre tomorrow, I would not just build it and hope that people would come along and use it. I would have been chasing around and getting people tied in to make sure that the facility, which is a very expensive facility, had a user agreement to tie it over. If it were private enterprise, the banks would not allow it to be built unless those user agreements were in place. It surprised me that some of these negotiations have been going on since 2014. I come from a background where many negotiations are held on a union front. Imagine dragging that out over that period for an agreement! It just would not happen. It would go to arbitration in the sense of workplace agreements. Here we have a government that built a facility without having user agreements in place. I find that appalling management of the state and it certainly puts the state at risk in the future. In saying that, I am happy to say that we are just about there. Hopefully, after meetings this week, we will be able to wave the flag and say, “We’ve done it; you didn’t!”

[12.10 pm]

Mr J.E. McGRATH: Does the minister, as a very keen supporter of country football, and a person who is obviously aware that over 300 000 people play football every weekend throughout our state, agree—I guess the government does, because it has already put something on the table—that under the deal for the new Perth Stadium, the West Australian Football Commission is entitled to receive a share of the profits out of the new stadium as it will be moving from Subiaco Oval?

Mr M.P. MURRAY: I am a very keen supporter of football in Western Australia. Having said that, we are mindful of the finances into the future and we are not going to throw money here or there. An agreement is being worked through at this moment about how much and for how long we will, as a government—it might not be only ours—finance grassroots football. At the same time, the West Australian Football Commission is working through its change in direction and how it sees football. We want to work with the WAFC on that. I think some of it is good and some of it is bad. The member made a point about country football. I get a bit concerned that the focus is sometimes only on the city and not grassroots footy in country areas. It is all right to have leaders programs, but not everyone wants to be a Nat Fyfe; maybe they want to play football for community sport and recreation and a social outing.

That brings me to women’s football. Turnover through the gates at country football has increased because of women’s football. No longer do women have to sit in the car and wait for their partners to finish; they can enjoy the sport as much as anyone else. Other areas are included in that—some of the leagues include a netball competition alongside that. Those are the types of things that the West Australian Football Commission has to look at with the funding that will come with its changeover from Subiaco Oval to the Perth Stadium. To say that it will get a share of all the profits—no, that will not be the case.

Mr J.E. McGRATH: The government has already offered the WAFC a deal in which it will get \$10 million a year for the next 10 years, so that is a share of stadium revenue or stadium profits.

Mr M.P. MURRAY: It is a share of stadium revenue, but not of the whole profit for other areas such as concerts et cetera.

Mr J.E. McGRATH: No. That is fair enough. I understand that. The WAFC should get a share of what football contributes to the operation of the stadium. If there is no ongoing funding for football beyond the 10-year period or if there is no review by government—maybe an independent review—of the contract in the eighth or ninth year, how will football be funded beyond the 10 years? Surely it will be the government’s responsibility to look after the biggest sport in Western Australia with the largest number of participants.

Mr M.P. MURRAY: I remind the member of something about sports funding in Western Australia. The WAFC is asking for and working towards a substantial amount of money, around the \$10 million mark, locked in for 10 years. Its first request was for 50 years—that is, \$500 million. No way in the world should a government lock a future government into that. I think that would be unfair on any government and it would create problems in the future. Remember, over 30 other sports get \$7 million between them. That is \$7 million for 30 sports, and around the \$10 million mark—I will not put those figures on the table because they are still sensitive—for one sport. I understand how many people play the game and the base economy that comes with that, but does the member not think that some of those other sports, which in some cases get \$5 000 a year, feel a bit left out when a football commission is asking for that sort of money and a stadium chucked into the boot as well? The West Australian Football Commission has to be very careful about the public’s perception of that. I am hearing this out on the ground, and I am sure the member of South Perth has heard it. People are saying, “Hang on, they’ve got their hand out; what about us?” A very, very generous offer is on the table, and I think for the WAFC to walk away from that would be detrimental to the sport and to country football, as the member alluded to.

Mr J.E. McGRATH: I am not sure whether the minister will have this information, but I am sure that Mr Etherton will.

Mr M.P. MURRAY: Before you go on, member, I have just been given a note to say that I need to make a correction. I said 30-odd other sports, but it is 80 other sports.

Mr J.E. McGRATH: Okay, that is fine.

Mr M.P. MURRAY: It is not fine to those people.

Mr J.E. McGRATH: We are talking about the major sport in Western Australia that has more participants than any other and has by far the greatest following. I will ask a question that maybe the minister's advisers can assist in answering. With the funds generated out of the stadium and the events to be held at the stadium, how much will football contribute to the revenue generated by the new Perth Stadium?

Mr M.P. MURRAY: I defer to Mr Etherton.

Mr D. Etherton: I do not have the dollar answer specifically, but football as a contributor to the stadium will be between 60 per cent and 70 per cent of the participation and will drive, as a result, a substantial proportion of the revenue that is generated at the stadium. I am not sure whether the member wants further detail—I can hand over to David Harris—but football will be a significant contributor, because it will be a significant user of the facilities.

Mr J.E. McGRATH: I have been told that it could be close to 80 per cent through a game every week for 22 weeks at the stadium. I am interested to know how many people the minister thinks will attend all the football matches?

Mr M.P. MURRAY: Again, some of that is speculation. If a team is on top of the ladder, there will be a different result in the number of people who attend than if a team is on the bottom or performing badly—not necessarily on the bottom, but performing very ordinary. That variation that will come through will be very difficult, but I am sure that the experts—I will hand over again to my adviser—will outline how they have worked out an average figure. I am sure that the member for South Perth understands that everyone loves a winner, and the stadium will be packed out if they are winning.

Mr J.E. McGRATH: But people will be budgeting.

[12.20 pm]

Mr D. Etherton: I have never seen an estimate of 80 per cent of participation or attendance at the stadium being football. I have never seen an estimate of 80 per cent of the revenue being football. In the initial forecasts we did for the attendances four years ago now—three and a half years ago now—the forecast was that 73.5 per cent of the attendances would be for football. That amounted to about one million patrons a year, budgeted on 22 events. We have been lucky enough in Western Australia to average one final a year over the last decade, so over 23 events. The current forecasts are not too dissimilar to that, but at the moment we are forecasting that football will be about 63 or 64 per cent of the participation at the football stadium once it opens. The minister has said that will go up and down, as will cricket and concerts. It varies over the years.

Mr J.E. McGRATH: I have a further question.

The CHAIR: Yes. This will be the final further question, member.

Mr J.E. McGRATH: Okay. Thanks. So that is the plan for 2017. For the events already been signed up for 2018 and 22 rounds of football, what type of crowds or revenue does the minister expect the stadium to generate with football, concerts, cricket or anything that has been signed for and contracted in for 2018?

Mr M.P. MURRAY: Just before I get my adviser to answer that question, I think I see where the member is headed with percentage-wise and percentage back for football. But let us just remember one thing. The member's government never wrote to the AFL for a contribution to this stadium, which disappoints me immensely, and the member is leading towards asking how much usage there will be of the stadium. The AFL has contributed to stadiums all around Australia—it, in fact, owns one. I am at a loss to think that that question was not asked by the member's side of the house when it was in government. I am at a loss at that. So be it. It has been done, so we have to move on. Sixty-three per cent usage is great. I would love to sell the rest of the days that are available as well —

Mr J.E. McGRATH: Yes, of course.

Mr M.P. MURRAY: I have said publicly that the stadium is a Western Australian stadium —

Mr J.E. McGRATH: Of course.

Mr M.P. MURRAY: — and it is a stadium for all Western Australians and it will be utilised on as many occasions as it can. It is not an exclusive football stadium —

Mr J.E. McGRATH: No. Hence my question.

Mr M.P. MURRAY: If the AFL had contributed and paid for half of it, that could be said for the 63 per cent it will use it.

Mr J.E. McGRATH: Hence my —

Mr M.P. MURRAY: It would be a different argument.

Mr J.E. McGRATH: Hence my question, minister. I am asking because the public is interested in this. People will go to the stadium; it is a great project. Can we give them some information about how many events will be held there next year, how many people are expected to be attracted by the Ed Sheeran concerts and things like that and other sports, and what will the AFL's contribution be in terms of numbers?

Mr M.P. MURRAY: I will hand that over to my advisers. Remember, there will be a broadbrush approach because we have to be flexible and we have to have people in. The good part about some of the programs being looked is that we can move the turf very quickly and that sort of thing, and the stadium can be ready in a very short time for another program. I will now hand over to the adviser.

Mr D. Etherton: As the minister says, the stadium has been designed to be particularly flexible and allow for multiple events and to allow for a quick bump ins and bump outs to maximise the likelihood of us getting events. The member had a couple of mini questions. As to the Ed Sheeran concerts, the first one sold out very, very quickly of 55 000 tickets. The second one was capped at 40 000 tickets and sold out very, very quickly, and the last 15 000 went on sale this week. I presume they will sell out in minutes as well. There will be 110 000 people going to watch Ed Sheeran, which is an amazing result for the stadium. Overall we are forecasting just over 1.5 million patrons a year. Obviously circa one million of those will be for football, hence the 63 per cent number. In terms of the Perth Stadium financial impact as it is reflected in these budgets, that has not changed since we did the 2016–17 budget numbers. All the data that the former government helped contribute to included in this 2016–17 data has, in essence, been pushed forward one year into this year's budget because the decision taken in the former government's time as well as that we would not update the budget forecast until we finalised the deals with football and cricket. As soon as we finalise the deals with football and cricket we will do an update to the financial forecasts, and they will be included in the midyear review and I am sure we will have a discussion about those next year.

Mr P.J. RUNDLE: Minister, I refer to the second dot point on page 483, "Significant Issues Impacting the Agency", regarding the rebound of the touring market. What market research has been carried out to support this claim?

Mr M.P. MURRAY: Again, I will refer this to my advisers.

Mr D. Etherton: The touring market moves in cycles. To pick an artist as an example, Pink will generally travel around the world every three years—maybe four years if there is a baby in the middle—and artists follow similar touring cycles. Those touring cycles have changed significantly in the last two decades with the change in the way music is consumed by customers. Music used to be bought in records and CDs, and then it used to be bought online. Now a lot of it is copied online and so the revenue available for touring acts just is not there anymore, so they tour a lot more than they used to. As part of the touring cycle some artists will come every four years, some artists come every three years and some artists come every two years to a destination, depending on whether they think people still want to see them and what the demand is like. In terms of the research done, we take forward bookings as far as two years out in our facilities. It is generally between six and 12 months out, but as far as two years out. The market research attached to those figures is actually bookings. It is not a matter of doing forward market research; we have bookings that reflect and support that change in the touring market, and at Perth Arena particularly, nib Stadium and also at HBF stadium we have the bookings to reflect that.

Mr P.J. RUNDLE: I have a further question on the eighth dot point regarding Perth Motorplex. How much longer does VenuesWest envisage it will act as a transitional manager of the venue?

Mr M.P. MURRAY: What page was that?

Mr P.J. RUNDLE: Page 484, under the second to last dot point.

Mr M.P. MURRAY: Again, most people on the motorsports scene are very well aware that there have been problems out there, and at this moment work is being done. Again, I think I had better handball that one to the advisers for the sheer fact that there are some financial sensitivities in there, and I might drop my guard and then things could happen. I will handball over to my adviser.

Mr D. Etherton: The season runs from September–October up until May, and we expect to run it for this season to the end of the season. In May we will cease operating the motorplex and hand it over to a private sector provider in one form or another. We are very positive about the discussions we have had to date on that. We have found a number of parties, but we will find the right party that is interested in taking on that responsibility.

Mr P.J. RUNDLE: I have one further question.

The CHAIR: A follow-on question or a further question?

Mr P.J. RUNDLE: Thank you. Will VenuesWest play a part in the development of management plans for the Collie and Albany motorplex facilities?

[12.30 pm]

Mr M.P. MURRAY: I certainly have something to say about that. At this moment VenuesWest is not involved with the Collie and proposed Albany motorplexes. But I have asked for a review of all motorsport facilities and wish to have a strategic plan into the future. Too often competing groups and venues—whether it be motorsports or others—will all go broke. We very much want a strategic statewide plan, and I will stop funding in all areas until that plan is done. That will include the motorplexes in Wanneroo and Collie and the future facilities in Albany and Kalgoorlie—all of those areas—to make sure they are complementary to each other instead of competing against each other. I said previously that the Busselton council was talking about a \$50 million complex in its area—of course it was government money it wanted—but 80 kilometres away is Collie. What is complementary? One might have a drag strip, one might have motorcycles and one might have cars. I do not know, but that is what I would like to make sure before we put money on the ground and then have people saying that they cannot afford to run it and coming back to government again. As we know, motorsport goes up and down with the economy, although the diehards are there, but if people do not have money to spend and go out on their machines—it is a very expensive sport—then we see a downturn in that industry as well. I look forward to the outcome and the Department of Sport and Recreation is ensuring the outcome of the overall strategic plan. I think it is very wise to have that. Internally, some problems have arisen at Wanneroo with motorbikes not being able to race there and we are working closely with the parties involved to make sure we can get bikes back on the track there. In Collie the track and surface changes are underway. Collie is looking to extend its track to allow other vehicles that are faster to be able to do that safely. We are very mindful of the safety side of that. At the same time Perth Motorplex at Kwinana has had its own problems. Once we get that strategic plan, we will be full steam ahead.

Mr J.E. McGRATH: My next question is on the first dot point under “Significant Issues Impacting the Agency” on page 483. Because of the great public interest in what is going to happen, would the minister be able to inform the committee how many membership seats will be available to West Coast Eagles and Fremantle Football Club? How many stadium memberships will be offered? Will the number of seats for the public still remain about 10 000?

Mr M.P. MURRAY: I will handball again to my adviser. This has been a disappointing process. I have seen the former Premier stand up in this room and make some statements about what will be, what could be and what might be. It was very much my view that they are the sorts of things that should have been done. In saying that, I will pass over to my adviser.

Mr D. Etherton: The deal is not done yet so I cannot answer that question because the negotiations are still underway. In essence, the parameters of 50 000 for members and 10 000 for non-members has not changed over the course. They are the broad parameters that the member would have been aware of for a while. Those parameters have not changed but we have not finalised the deal yet.

Mr J.E. McGRATH: If the Eagles have more members than Fremantle, would they be expected to just apply for, say, 40 000 member seats or do you just give them the allocation? How will that work in terms of providing an allocation for both clubs? One might be bigger than the other with more memberships. The number of public seats has been guaranteed, I gather.

Mr D. Etherton: The arrangement for both clubs would be the same—50 000 seats. One thing I should have pointed out in my earlier response is that those memberships include also some corporate products that they will sell over the full season as well, so there is 50 000 and 10 000. They are the numbers and they will be the same for the Eagles and the Dockers. At the moment the Eagles have a higher membership base than the Dockers, but the idea of this deal is that it will be over a long period and those numbers—who has the most members, who has how many members—will change. We hope that they will both sell out the stadium all the time.

Mr J.E. McGRATH: I believe you are close to releasing an offer for stadium memberships. What sort of number would you be looking at for stadium memberships?

Mr D. Etherton: Again, that number is to be finalised when we sign the deal. The key issue of stadium memberships that we had to get across was to get football and cricket over the line to agree to those stadium memberships. Until we have signed that deal, that number is not set in stone. I can say, as has been repeated in this place previously, that the number we are looking for will be a very small number in comparison with other stadiums. At the Melbourne Cricket Ground, I think 22 per cent of the capacity are stadium members. Perth Stadium will be nothing like that, but the final number is still to be finalised and will be part of the discussions that occur in the next week.

Mr J.E. McGRATH: Given that this situation probably is unique in that this stadium has been built by the taxpayers of Western Australia, how will the operation of the stadium financially compare with places like the MCG and Adelaide Oval, or other stadiums around Australia?

Mr D. Etherton: As I said, we released this last year. In essence, the 2016–17 *Budget Statements* said that for the initial 10 years of operations, we were confident that the operating cost of the Perth Stadium would wash its face, so the operating cost would equal operating revenues. After that, it got a little harder for the next 15 years, so over the 25 years there was a \$2 million average annual deficit in regard to the revenue not covering the operational cost. As a result of some changes made by the current government, the number that we are now forecasting—we will update it in our midyear review estimates—will more than cover the operating cost. The principal decision there, as I am sure the member would understand, is the sale of the naming rights, but other negotiations are being done by the venue operator, VenuesLive, for stadium memberships and ticketing and deals along those lines that have come in as well. We forecast that the stadium will operate at an operating surplus over the 25-year life. As I said before, that will go up and down, as attendances go up and down, as acts go up and down, and as the touring market goes up and down, but we forecast that over the 25-year life it will cover its cost. How does that compare? To be frank, I have not done the research on the Adelaide Oval and how it is currently performing to make that comparison.

Mr J.E. McGRATH: You mentioned the negotiations on selling the naming rights to the stadium, and that is a decision for the government. Who is handling this negotiation? If the stadium rights are sold, where will the proceeds of those rights go? Will they go into consolidated revenue? Can you give us some guidance on that?

Mr M.P. MURRAY: Can I first say up-front that we were very open about what we would do if we were elected about the naming rights and the finances in that area. We are following through. We did not hide it from anyone that it would be considered. It is another part of the taxpayers' money that we are protecting. Some have a view that the stadium itself would sell Western Australia by not having a corporate name on there. That is certainly not my view, but in saying that, that was a view of many, especially in Tourism. However, we have to be real: a bird in the hand is worth two in the bush. We need that income there. As for where the money goes, I will defer to Mr Etherton.

[12.40 pm]

Mr D. Etherton: There are two questions there—the first is who is handling it, and the second is where the money will go. VenuesLive was appointed the operator a year and a bit ago now. Part of its role is to sell the naming rights on behalf of the state of Western Australia. The minister will have ultimate approval over the naming rights after the board of VenuesWest has provided the minister with some advice. That is who is handling it. Once the football and cricket deals are done, we will provide a budget update of the operating resources that will be required for the stadium. The additional money will then not be required by VenuesWest. As a result, it will go to paying down debt.

Mr M.P. MURRAY: Can I add that we will not be put in a position, as the previous government was, of having to pay \$1.5 million not to have a sign on Perth Arena, which was one of the most ludicrous decisions I have seen. Fancy a government paying not to have a sign on a facility that it is responsible for. We are looking forward to a competitive bidding process. At the moment, it is competitive; it is quite sought after. I hope that their pockets are as deep as we hope and that the funding that comes out of that will help offset some of the costs.

Mr P.J. RUNDLE: I refer to page 486, the heading “Provision of Elite Sports Facilities and Support”, and the line item for full-time equivalent employees. Would VenuesWest taking over the management of Perth Stadium not result in a growth in the organisation's workforce?

Mr M.P. MURRAY: I will refer to the adviser.

Mr D. Etherton: We have appointed the private sector company VenuesLive to run Perth Stadium on behalf of VenuesWest. As a result, its FTEs are not carried on VenuesWest's books. We have a small contract management team that will manage that contract and also the design, build, finance and maintain contract with Westadium. In the budget at the moment we have a slightly bigger team that is driving development of the stadium. Once we close the construction project and open the stadium, the human resources we have working on it will contract.

Mr P.J. RUNDLE: Relating to employment, how will the slashing of 3 000 public sector jobs affect VenuesWest in this division and also the Department of Sport and Recreation?

Mr M.P. MURRAY: With any restructuring, we have to be mindful of the needs of the business. It does not matter which area we talk about; we will look at how efficient the business is. Efficiencies can be gained in any area you like. I am from the mining industry. Every couple of years, there will be a walk-through and people will say, “We can find this; we can use contractors there; we can do all those sorts of things.” In the scheme of things, I do not see any impact on the departments themselves. It is about how they do their business with what is in their

allowances. I will not pre-empt or look at service cuts as such. It is about how we do it and doing it efficiently in that area.

Mr J.E. McGRATH: I have another question about the stadium. I refer to the first dot point on page 483 under “Significant Issues Impacting the Agency”. I probably know the answer to this, but who will determine the ticket price for the 10 000 seats for the public? As this is a stadium that we want all Western Australians to be able to share in and come along to, will VenuesWest or the operator talk to the Australian Football League to make sure that people are not priced out and that ticket prices will be comparable to things such as family passes at the Melbourne Cricket Ground? Are any discussions along those lines taking place or about to take place?

Mr M.P. MURRAY: Again, I will defer.

Mr D. Etherton: Throughout the three years of negotiations, the AFL has been very mindful of making sure that we fill up the stadium, which has been good to see. It can be challenging for a business to go from a capacity-constrained environment to a not quite unconstrained but almost unconstrained environment. The AFL has been very mindful in its forecasting, budgeting and planning to understand that it has to sell 17 000 extra seats. I am confident that it will do the right thing to ensure it gets the most possible customers to the stadium. I am sure there will be opinions on that when it comes out with its membership prices, but that has been a key driver of its behaviour and business modelling for three years. It has not changed; it is in its DNA. What was the second question—who sets the prices?

Mr J.E. McGRATH: Yes.

Mr D. Etherton: As with all venues in Australia and, I understand, the world, the event promoter sets the prices for the overwhelming majority of the seats. The differences are for stadium memberships, stadium suites or stadium products, which are set by the venue operator. In the case of Perth Stadium, for Eagles or Dockers games, the stadium membership prices will be set by VenuesLive, the operator, and the rest will be set by the Eagles and the Dockers in conjunction with the AFL, with which they work very closely on their pricing. When it comes to finals, those prices will be set by the AFL, except for the stadium memberships.

Mr J.E. McGRATH: Further to that question—I am not sure that the minister will give me an answer to this one—what rental fee will the Eagles and the Dockers pay when they play at the stadium every second weekend?

Mr M.P. MURRAY: I defer.

Mr D. Etherton: It is a complex question. The rental fee is a sliding scale based on attendance, total turnover, and gross assessable revenue earned. In essence, it aligns the objectives of the venue operator with the venue hirer to maximise the number of people who go and maximise the number of people who have a good time and the revenue available. There is no one answer to that question, as it is a sliding scale. The more successful the hirer is, the more rent it will pay, which makes sense. The less successful the hirer is, the less rent it will pay which, again, makes sense. The key in setting a hire fee is to make sure that the objectives of the two are aligned and working together to get the most out of it. Hire fees are a complex beast in that they also include access to inventory. At the MCG, for example, where there are 22 000 stadium memberships, the hire fee includes no-one having access to those 22 000 stadium membership seats. It is a sliding scale, so there is no one answer.

Mr J.E. McGRATH: I asked this question before but I was told that it should go to the Minister for Transport. Has the minister or his department had any advice about the possible completion date of the footbridge?

Mr M.P. MURRAY: Again, as it is about transport, I am not going to put my foot on the footbridge, because I could be in great trouble! I think the member will have to go to a different estimates group to ask that question.

The CHAIR: What do I call that answer? It was a duck.

Mr P.J. RUNDLE: I refer to the first dot point on page 484, which is about ticket scalping. Can the minister give a bit more detail on VenuesWest’s plan to combat scalping?

[12.50 pm]

Mr M.P. MURRAY: The Premier has been on my tail about this. He is very keen that we stop ticket scalping. I think we have a figure for how many people have been turned away from Perth Arena because they had false tickets that were bought on the internet. People are turned away when they get to Perth Arena. It is a concern. That is unlike myself, when I turned up because my wife had dragged me along to some concert. We got to the gate and put the ticket in —

Mr J.E. McGRATH: It was not Ed Sheeran; I know that.

Mr M.P. MURRAY: No! I was turned away because we were on the wrong day. That was a bit different. We had to go home all dressed up with nowhere to go. I held up a great big queue out behind me and people yelled along the lines of “What the hell is he doing, the silly old bastard!” It is a really, really big issue that people are putting

out false tickets or scalping them, as we talked about. The department is working, along with the department of commerce, to make sure that we put rules in place so people can be fined or their tickets can be confiscated so they lose them. People who are selling tickets have now become more aware of the scalping issue and they are being more vigilant about who buys them. My advice to anyone is to be very careful if they are buying a ticket off the internet. In recent times, we have seen ticket prices go through the roof and people were paying three or four times more than their face value. It is lucrative to a person who wants to make a quick dollar. It is our job to make sure that we bring in legislation and, as I said, the Premier is right on my tail about this.

Mr J.E. McGRATH: I have to keep going on this; it is too exciting! I again refer to the Perth Stadium on page 483, and the first dot point under significant issues impacting the agency. I am aware that VenuesWest, which is the operator—and obviously, it would be crazy not to—is looking at bringing some big sporting events to Perth. I mean the Bledisloe Cup and things like that, but what would happen if it wanted to bring in the Asian Games or an event that would go over a couple of weeks? Would there be a problem if it was in the football season, given that the ground is needed every week for an Australian Football League match? Is the department looking at any international events that could fall into that category?

Mr M.P. MURRAY: Again, I will defer to Mr Etherton.

Mr D. Etherton: VenuesWest and the Department of Sport and Recreation work closely, as does VenuesLive, with Tourism Western Australia events on an ongoing basis to plan ahead and look at events that might be available that suit the infrastructure and the people of Western Australia. As part of that process, we look at the timing and how events are suited to the climate and all those sorts of things. I do not have any specific events to tell the member about, but we are constantly looking for events, as are VenuesLive and AEG Ogden at Perth Arena. The member's explicit question was whether it will cause a problem. Part of the user negotiations with football is about the major events provisions in the user agreement and the right for the state to take over the stadium and impact the football season to ensure that we have large-scale events. That is still not 100 per cent resolved and I am sure we will talk about it in the next week or so. Our objective, clearly, as the state of Western Australia with a brand-new stadium, is to ensure that we get the maximum possible number of events. Our second objective is to make sure that we minimise the impact on the AFL and its scheduling. Commonwealth Games, world cups and Asian Games do not come along once a year; they come along once every generation for destinations. It is sometimes once in every two generations for destinations. Our job is to protect the stadium and make sure it is as available as possible to host those events.

The way that the stadium has been designed, particularly the grass system, means the impact of a changeover of sports can be minimised. By minimising the time, we can switch overnight from rugby into AFL the next lunchtime with no problems at all. It has been designed to have a 12-hour turnaround. The grass is a ready-to-play turf. At nib Stadium, we have turned over a concert into a Perth Glory game in 30-odd hours with no-one able to know there was a concert the night before. I think that we replaced 12 square metres of turf; that was all we had to replace. The stadium and the grass has been designed to minimise the impact of events on other events.

Mr J.E. McGRATH: Further to that question, I was more referring to if an event is brought in, the AFL will not be able to play football for couple of weeks. Maybe the two Western Australian sides would have to play two away games or something like that. I do not know how the stadium would get around it. Is that a bit of a sticking point with the AFL? A few years ago we had a problem when the West Coast Eagles and the Fremantle Dockers were going to play finals, but a rugby match was scheduled for Subiaco Oval. It would cause a problem for fixturing, especially at finals time when there has to be an equal break. Is that a sticking point with the AFL; would it like an exclusive time zone for its whole season?

Mr M.P. MURRAY: I could make some comments, but I will defer to get the official line on that.

Mr D. Etherton: I am yet to meet a hirer who does not want it all available for them all the time. They want the maximum possible flexibility. The AFL schedule is one of the most complex scheduling deals in the country and, this year, it looks like it has got it more right than it has ever got it before. The scheduling was immaculate and I congratulated Travis Auld from the AFL today because it has absolutely nailed the scheduling this year. It is a complex beast and the AFL wants minimum interruption to it. We want to make sure that we use the stadium. To give the member a good parallel, we have the Hopman Cup at Perth Arena. For 30-odd days a year, the Perth Arena is available only for the Hopman Cup and the Perth Wildcats need to go away for those 30 days. The Wildcats go away and the National Basketball League is well aware of it. The Wildcats are a professional outfit and they plan their travel and scheduling, and they get it done. There is no problem at all. It happens every year. It has happened for five years now and there has never been a problem. Would the Wildcats like to just have it week-on, week-off? Yes, they would like that, but it would mean we do not have the Hopman Cup and we do not have Roger Federer here. Clearly, there is a balancing act to be played between the flexibility the teams are looking for and the flexibility we need to utilise the asset that the taxpayers of Western Australia have paid for.

Mr J.E. McGRATH: Thank you.

Extract from *Hansard*

[ASSEMBLY ESTIMATES COMMITTEE A — Tuesday, 19 September 2017]

p26b-34a

Mr John McGrath; Chair; Mr Mick Murray; Mr Peter Rundle; Dr Tony Buti

The CHAIR: Are there further questions, members?

Mr J.E. McGRATH: We are worn out; the minister has worn me out!

The CHAIR: Come on, government members; you must have a question for us.

Dr A.D. BUTI: The member for South Perth's dazzling questioning has just doosra-ed me. I could not possibly ask a question.

The appropriation was recommended.

Meeting suspended from 1.00 to 2.00 pm