

Division 45: Western Australian Sports Centre Trust, \$35 133 000 —

Mr A.P. O’Gorman, Chairman.

Mr T.K. Waldron, Minister for Sport and Recreation.

Mr D.P. Etherton, Chief Executive Officer.

Mr P. Stewart, Director, Corporate Services.

Mr M. Cutler, Chief of Staff, Office of the Minister for Sport and Recreation.

[Witnesses introduced.]

The CHAIRMAN: I give the call to the member for Armadale.

Dr A.D. BUTI: I refer the minister to pages 522 and 523 specifically regarding the VenuesWest management of Champion Lakes Regatta Centre. As the minister would be aware, recently VenuesWest has taken over the management responsibilities for the Champion Lakes Regatta Centre, so I have a few questions. How many VenuesWest employees or contractors will be physically located at the Champion Lakes Regatta Centre and what are their roles? Also, can the minister provide details of how the Champion Lakes Regatta Centre will be managed by VenuesWest? I am led to believe that the people who were responsible for the management of Champion Lakes Regatta Centre under the previous arrangement with the Armadale Redevelopment Authority have not been employed by VenuesWest, so I am concerned about how the minister will overcome the loss of the corporate knowledge that has been built up.

Mr T.K. WALDRON: I know the member has a great interest in Champion Lakes. It is a fantastic facility. I congratulate the previous member for Armadale for the work that she did in promoting it, and I think it is a good result. I have been very supportive of Champion Lakes since I have been minister. We have given funding for improvements out there. I welcome VenuesWest now managing the centre since the Armadale Redevelopment Authority was disbanded. The area now comes under the Metropolitan Redevelopment Authority. I am sure that VenuesWest will do a good job there. It has great experience across a number of our sporting facilities. I know that it has been working closely with the rowing people out there. Of course, Champion Lakes does not have only rowing; lots of other things take place there. I think there is a lot of scope to do much more at Champion Lakes, but it will take a bit of time. The thing that has really pleased me, though, at Champion Lakes, with the extra money that we have been able to provide to support the sport of rowing and the work that the rowing community, in particular, has done is that we held the 2010 Australian Masters Rowing Championships, which was a really big breakthrough. The sport of rowing in Western Australia had not run an event for years because we had not had any major events. This gave those people the experience in running the event. Of course, this year we had the King’s Cup and the 2012 Australian Rowing Championships here, which was fantastic. It was just a real shame that on the last day it was so damn hot. But the facilities were welcomed by visiting crews. They whinged a bit about having to come so far; of course, in Western Australia, we do that year in, year out. But it was fantastic and it is a testament to how good the facility is. I think it has great scope.

On the questions of detail, I will refer to the chief executive officer, because we have not been managing the facility for a long time, and he will have all that knowledge. If he answers the member’s questions rather than my doing so, the member will get the answers he wants. I defer to the CEO.

Mr D.P. Etherton: In the funding for the facility, 5.3 full-time equivalents are available for the facility. We envisage that being made up of three full-time staff permanently based at the centre, similar to the arrangements currently in place. There will be a variety of casuals. When events happen, we have to ramp up the number of staff who are available, and that changes over time. There are some functions which the Armadale Redevelopment Authority was doing and which we will need to do at our head office. That is how the 5.3 full-time equivalents will be used. The member asked a couple of questions about that. What will be their roles? Of the three full-time staff, one will be a senior venue manager—that is, someone in charge of the facility. As a venue manager, that person will do everything. The other two people will be venue supervisors. They will supervise the casual staff, but their role will really be split into two things. One thing is opening the gates and making sure the equipment and sports facilities are ready and available for use. Another function is to repair and maintain equipment and make sure that we are looking after the equipment so that it works every time when people need to use it. I will not go into more detail than that unless the member wants me to, but they are, in principle, the roles.

Dr A.D. BUTI: I have a supplementary question. The minister mentioned that he sees the venue being used for other things and he will encourage that. Without committing to anything, of course, does the minister have any projects in place or any vision with regard to Champion Lakes? I should also let the minister know, for his own knowledge, that on 29 July I will be holding a fun run there, and the minister is more than welcome to participate if he would like to do so.

Mr T.K. WALDRON: First of all, as to participation in the member's fun run, I would like to come and watch. With the member for Armadale's running ability —

Dr A.D. BUTI: The minister can start it.

Mr T.K. WALDRON: — I think I might start it. Members from my office and I are participating this year in the Anaconda event, and I will be doing a bit of riding, so I could come out and ride in that area. The thing that I was referring to is that I know that the triathlon people use the facility, and I know that there are bike races around it et cetera. My vision—the Department of Sport and Recreation and I have talked about this—is that we will consolidate the rowing and the facilities there, but then we could look to involving more events such as triathlons and cycling events. I will just check whether swimming classes are held there.

Dr A.D. BUTI: There is open-water —

Mr T.K. WALDRON: Yes, there is open-water swimming. Events such as that could be held there. It is similar to all venues that VenuesWest manages and new venues that we build; that is, we try as much as we can to make them multi-use. All these venues cost a lot of money, and the depreciation on the venues is a huge part and a huge cost to us, so the more we can utilise those venues for different events, the better. We talk about physical activity. I think there are probably more things we can do there. There is nothing in concrete, but I will be happy to talk to the member about that and some of his ideas, as he is the local member. And good luck to the member with his run.

[11.50 am]

Mr J.J.M. BOWLER: The minister is quite aware of my strong opposition to the Western Australian Sports Centre Trust taking over the Perry Lakes basketball stadium. Looking through the documents, I cannot see any indication of what it costs the taxpayers of Western Australia to run that facility, which previously, for half a century, ran at no cost to taxpayers. Can the minister provide me with information on what it costs to run the WA Basketball Centre, and is that cost increasing?

Mr T.K. WALDRON: I will make a few points. The member and I have talked about this, and I think that he will be quite happy with the extensive negotiations we have had with Basketball WA and how it will operate this year. I will go through that in a moment. One point people forget, which the member mentioned, is they say that Perry Lakes was no cost, but originally it was a big cost to the state. Towards the end of its time, no maintenance was being done because it was going to come down. Therefore, the member is not comparing apples with apples because we are going from a facility that served the state brilliantly over a long time but was then completely outdated to a world-class facility that has to be in the best interests of basketball. Yes, there are issues with the cost of running new facilities. One thing I have learnt in the three years I have looked at new facilities, particularly in developing nib Stadium, and how they are run and how they are developed is that every new stadium has an issue balancing the cost to sport with the cost of running the stadium. Governments generally subsidise that—as we do here. We try to work on the formula that they will be subsidised at least 60 per cent discount of the commercial rate. Just to let the member know what happened, when it came in, basketball had been operating at \$8.06 per hour and the commercial rate then was about \$33 an hour, so it is a big subsidy.

Mr J.J.M. BOWLER: Just bear in mind, though, that when the previous government bowled over Perry Lakes, it established three facilities—for rugby, athletics and basketball—under the total agreement that it would be like for like and the sports would continue to manage them.

Mr T.K. WALDRON: I do not think that is correct.

Mr J.J.M. BOWLER: I was part of the cabinet and that —

Mr T.K. WALDRON: Anyway, let me talk about the management. There was a dispute between basketball and VenuesWest about the cost that should be charged. VenuesWest all the time has to balance running commercial operations with the sport. I am the sports minister and I think the CEO will tell members that at times I probably drive him crazy because I am a sportsman; I want to make sure that sports have a fair go. We do not want to turn people away because they cannot afford it, but the state has to build and manage these facilities. Of course, the state meets the upkeep, maintenance and all of that, which Basketball WA would have to manage if it ran the facility. I asked that they go away and look at the actual costs for basketball, and that took place. An audit was done, we have had meetings with Basketball WA and we are just about to sign a new agreement this year. The rate charged is usually about 60 per cent of the commercial value, but I have given basketball a bigger subsidy than that. Until I am absolutely sure that that sport is okay, it will pay a rate of \$13.80 an hour. Basketball WA is happy with that rate. I have had personal meetings with it and the member's former colleague Bob Kucera has been very —

Mr J.J.M. BOWLER: Is that per court per hour?

Mr T.K. WALDRON: That rate is per hour. When I went to Melbourne and looked at basketball there, it pays close to \$19 an hour, I think, and it does not get first use; it gets to use the facility when it is available. The WA Basketball Centre has a large number of hours for basketball. Remember that although basketball is the main tenant—the Perth Wildcats have its offices there et cetera—other sports are played there. With all our facilities, as we have just been talking about, we try to encourage other sports to play because it helps to run and maintain the facility; this helps to keep it right for basketball as well. That is where it is at currently.

I have given Basketball WA an undertaking. I asked Basketball WA to continue to work with the Department of Sport and Recreation. I have offered the services of Alex Watt, who was here earlier, to work with Basketball WA to continue to help with its ongoing business and charges. He is an accountant and a very good numbers man, if you like. If the actual 60 per cent subsidy goes to a certain level, say \$24 an hour, I want to ensure that basketball is capable of meeting that. I think I have demonstrated that. Basketball did very well. The \$8 rate went on for far too long, frankly, but that has probably been a boost to basketball, which is good.

Another issue I want to raise with the member, which was raised with me, is about the main court, not the show court area. When we had country week a year ago, it was red hot; there were some real problems with the main court. There is natural ventilation through there, but with country week at that time of the year, we had some real problems. I know that VenuesWest got lots of complaints, as did I; members of both sides of Parliament came to see me about it. We are installing commercial fans in that area to help rectify that problem. It was delayed, which I was disappointed about, but it is happening, certainly before next summer.

VenuesWest manages 11 facilities, so in the budget papers there is cross-subsidisation; moneys pass over those facilities and we utilise the money we are making if there is a need at another facility. However, I can provide the costs of that venue as supplementary information. Before I do that, member, there is one other point that I forgot to mention. There are components of basketball business that I have encouraged Basketball WA to have a discussion with VenuesWest about; that is, basketball may be able to manage within that centre to give it a little more autonomy. I understand that those discussions are ongoing. I encouraged Basketball WA to have discussions with VenuesWest, not about total management—member, I think that VenuesWest is best placed to manage it—but to give basketball more autonomy. I have spoken with Basketball WA about that and those discussions will take place now.

The supplementary information that I will provide to the member for Kalgoorlie is the cost of running the WA Basketball Centre.

[*Supplementary Information No A4.*]

Mr J.J.M. BOWLER: In the months leading up to the opening of the facility, the minister knows that I was championing the status quo—really to keep the costs down for taxpayers. Of course, VenuesWest is not going to say, “We’re going to hive off more of our facilities” because, like any empire, it wants to get bigger. However, the minister, the director general and I discussed the possibility of a review three, four or five years down the track about the possibility of VenuesWest walking away from that facility and leaving Basketball WA, if it is showing the capacity to manage it, to take it over totally. Is that a possibility?

Mr T.K. WALDRON: I am going to be really honest with the member: at this stage, I do not think it is. I think Basketball WA does its very best to run its sport. I do not think that at the moment it would be in its best interests. It is something that we can keep open. I think that the talks taking place between Basketball WA and VenuesWest on giving basketball a bigger role in some of the things that happen in the stadium is a step in the right direction. I think we should let that take place and see how it works out and then we can certainly review that. We need to remember that we ask our sports to do a lot. We ask our sports to do a helluva lot across a whole lot of areas, and sports are limited in the resources and the people that they have. I really strongly believe it is in Basketball WA’s best interest if VenuesWest is responsible for the management of that stadium; the other case would be to Basketball WA’s detriment. However, we are trying to give basketball some autonomy, so I am open to that. We have to be careful we do not put too much pressure on the sports bodies and they end up in a situation that they do not want to be in. I am aware of that, and I mean it sincerely. I have just been passed a note saying that Basketball WA does not necessarily want to manage the whole facility, only some things that go on there, and that is what we are talking about.

[12 noon]

The CHAIRMAN: I will actually take the call myself, if I can. I refer to the second dot point on page 522 of the *Budget Statements* about venues that are hired out to commercial clients as well, and particularly to Arena Joondalup. I think three concerts were held there in the last 12-month period. I get complaints about them continually. Previously when those concerts were held, local residents within so many metres of the facility were given accommodation elsewhere for the duration of the concert. There have been complaints about the lack of tidying up after the event and about Joondalup Drive—the major thoroughfare in Joondalup—being closed for

the duration of the event. The concern is that we are now up to three events, whereas I think only one was held in the previous year. What number of events will it go up to?

Mr T.K. WALDRON: This is probably an operational matter, but I want to give a couple of other views on that. Arena Joondalup is a great facility that we have been talking about. It may, in the long term, be managed locally. However, at this stage we have not got to that. I will not go through all the reasons for that. Once again, VenuesWest manages that facility and has spent money on it, and we have also been able to help out the Chairman's beloved West Perth Football Club!

The CHAIRMAN: Not enough!

Mr T.K. WALDRON: We need to use those facilities, and staging concerts is one of the ways to do that. Sporting arenas, sporting ovals and fields around the world have concerts. I guess there will always be disruptions to local people and that needs to be managed properly. However, we have to be really careful. I know that the Big Day Out is held at the Claremont Showgrounds, which is run by the Royal Agricultural Society.

The CHAIRMAN: That has gone from there, and that is the concern.

Mr T.K. WALDRON: I remember a person who bought in the area saying that he bought there knowing that concerts were held there, and there are other people who do the same thing and then complain; that is part of the problem. We have to ensure that we have places for young people to go to enjoy concerts. I have to say that at least three of my four daughters have gone to concerts in Joondalup, the showgrounds et cetera. However, the events need to be managed properly, and I think the management et cetera on the day is the issue the Chairman is getting to. I have not had any complaints to me as minister.

The CHAIRMAN: I am compiling them at the moment; I have six.

Mr T.K. WALDRON: I will caution the member that to ensure the retention of that great facility in the Chairman's electorate, it needs to be fully utilised. If we do other things that will benefit the West Perth Football Club, Basketball WA and other clubs up there, we need to ensure it is utilised.

The CHAIRMAN: There is a recognition that the concerts are fine if they are limited to three a year. People are concerned that the Big Day Out, for example, will wind up at Arena Joondalup, because I think it is out of Claremont and as far as I know Bassendean has not accepted it.

Mr T.K. WALDRON: I will hand over to the CEO, Mr Etherton, to talk about the operational side of things. He deals with that on an ongoing basis.

Mr D.P. Etherton: The first question was about the number of events and then the management of those events. The agreement we have with the local government is for a maximum of three what we call festival events a year, each with a threshold above five or six hours, and then two other shorter events can be held. At the moment we are looking at a cultural event there, which is of a much shorter duration and generally a different clientele goes to that type of event. For example, there is one stage with one or two bands playing, rather than the event going from 12 noon to 10.00 pm—an all-day situation. So, three long events and two short events is the answer to the Chairman's question.

In terms of management of events and complaints, 15 months ago we had an event at Arena Joondalup that went way too late—about 45 to 50 minutes beyond the agreed time. We had a number of conversations with the local government at the time about the implication of that on the residents. I think we had about 19 residents phone in with complaints about that event. We subsequently changed the licence conditions considerably for that organiser. We outlined what the rules were if they wanted to come back, that a noise bond needed to be put in place, and we advised them on the consequences of doing what was done last year. We did not get one complaint on our dedicated hotline for that event this year. It finished 45 minutes early rather than 45 minutes late. In essence, the complaints and the implications of that festival were managed by a change in licence conditions and tighter management. Those licence conditions were negotiated with the local government. We had a chat with the CEO about the appropriate conditions and we implemented those conditions. The complaints disappeared and from my understanding the residents were happy.

The CHAIRMAN: They were not entirely happy, because I got the complaints. One of the complaints was that there was no advertised phone number to call. There was also no response on the Arena Joondalup phone line. It is a management issue and there is some concern. I do not think that there is any issue with the number of concerts at the moment. I heard all about the concert that was extra loud as well.

Mr T.K. WALDRON: VenuesWest does a fantastic job in this area. From time to time something might happen with a promoter or whatever, but I take the Chairman's point and I am sure that VenuesWest and I, as minister, will try to ensure that we run these events to the best of our ability and with the residents in mind. We have always tried to do that. It is interesting that cabinet is meeting at Joondalup soon, and I will go through those

facilities again. It may be in my interest to chat to the council about issues the Chairman has raised as well. Did the Chairman raise them with the council as well?

The CHAIRMAN: I have 65 responses now, which I will pass on.

Mr T.K. WALDRON: Mr Etherton wants to make another comment.

Mr D.P. Etherton: Following up on that, I got a call from the mayor the next day saying it was very well managed. The mayor attended and the residents he spoke to were very happy, so we have conflicting messages about that event.

The CHAIRMAN: I will send Mr Etherton some information.

Mr T.K. WALDRON: I think the Chairman has made us aware of the issue and that he has some concerns, and I am sure that VenuesWest will take that on board and continue to manage the events the way it does.

Mrs L.M. HARVEY: This question is also related to the third point on page 522, which refers to VenuesWest developing some strategies to meet the technological challenges of trying to manage these different venues that is now becoming a fair bit more complex. Could the minister please elaborate on what some of these strategies are?

Mr T.K. WALDRON: I thank the member for Scarborough very much for the question. VenuesWest runs big operations and a lot of its venue management involves bookings, fees and all of those types of things, so good IT equipment is needed. This budget includes an extra \$585 000 in capital and \$315 000 in operating funds to help VenuesWest implement its information and communications technology strategic plan. The current systems are antiquated. I was chatting with my chief of staff and the CEO the other day. There are around 4 000 kids who do swimming each year and whose parents have to fill out the application form every year.

Mrs L.M. HARVEY: I am very familiar with it!

Mr T.K. WALDRON: It would give parents the heebie-jeebies. The idea of this ICT is to streamline those procedures to make it easier for VenuesWest. I have to say that the work VenuesWest does with the volume of staff it has is a concern, because it has had to take on more facilities. To assist VenuesWest, we need a two-pronged approach—I will get Mr Etherton to comment in a moment—that will help Mr Etherton and his staff and also make it easier for the general public to ensure we do not get mix-ups and that the process is easy et cetera. The government recognises that there is a critical need. If we adequately service our existing clients, hopefully we will get better satisfaction from people going to venues. They will tell more people, more people will go through the venue and it generates more money, so everyone wins. The ICT is also needed because with the new venues that have come on board, the business is growing and we need to keep pace with that. The government has recognised that and I think this better ICT will certainly provide better management and better services to the clients, and will probably make Mr Etherton's job a lot easier, because he is the one dealing with this day in, day out. Does the CEO want to make a comment on that?

[12.10 pm]

Mr D.P. Etherton: The other thing that is really important is the integration of reporting systems. That will make it a lot easier for us to report to the board, the minister and the people of Western Australia. The member for Armadale talked about Champion Lakes and bringing that into the portfolio. We need to make sure that we can take bookings for all our venues at all our venues. If someone at Champion Lakes works different hours from someone at Arena Joondalup, we can take those bookings wherever someone is. Integrating that across the facilities means that we can do it a lot more efficiently with the people we have on the ground and deliver a better service to customers.

The CHAIRMAN: Member for Collie–Preston, can I confirm whether you want to ask a question in the Racing, Gaming and Liquor division?

Mr M.P. MURRAY: We are running out of time on that, so I think we should move on to the next division.

The appropriation was recommended.