

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Division 48: Sport and Recreation, \$98 988 000 —

Ms J.M. Freeman, Chairman.

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

Mr R. Alexander, Director General.

Mr A. Watt, Director, Business Management.

Mr R.D. Didcoe, Director, Facilities and Camps.

Mr D. Rosielle, Chief Finance Officer.

Mr R. Thomson, Manager, Facilities.

Mr R. Hurst, Project Director, Perth Stadium.

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

The CHAIRMAN: I ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

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. It will greatly assist Hansard if members can give these details in preface to their question.

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 the 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 committee clerk by Friday, 30 May 2014. 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 with the Clerk's office. We will commence with a question from the member for Albany.

Mr P.B. WATSON: I refer to page 537 of budget paper No 2 and note that \$10 million will go to the City of Cockburn and the Dockers under the community sporting and recreation facilities fund, with \$6 million coming from existing funding from CSRFF. Did that \$6 million go through the usual funding process? All we have here is that it has been taken out of the existing funding. Did this go through the same process that all other sporting groups in Western Australia have to go through?

Mr T.K. WALDRON: We are taking some of the funding for the Cockburn facility from CSRFF, as shown in the budget papers.

Mr P.B. WATSON: It is listed on page 536 as a spending change, and on page 537 as a significant issue impacting the agency.

Mr T.K. WALDRON: An amount of \$4 million was funded through consolidated revenue and the remaining \$6 million spread over three years from the community sporting and recreation facilities fund. I will talk a bit about what the department has done throughout the morning. The department has identified a real need in our outer suburban areas for major sporting facilities, including Cockburn, Joondalup, Ellenbrook —

Mr P.B. WATSON: I just asked if it went through the proper process.

Mr T.K. WALDRON: I am about to tell the member. This is coming out of the CSRFF. It is the same process that the government used to fund the first \$4 million of the Centennial Oval project at Albany. We have already funded \$2.4 million through CSRFF for the Cockburn project, so this is additional funding to bring identified need in outer suburban areas that lack those big facilities. This facility will service not only Cockburn but also the southern corridor. It did not go through the normal process, but it was the same process as that which occurred with Centennial Oval at Albany and it fits the CSRFF model, because it is going to the community.

Mr P.B. WATSON: Why did it not go through the proper process when everyone else has to go through that process?

Mr T.K. WALDRON: It is because the government made a decision, just as it did when it made the commitment to the \$4 million Centennial Oval project in Albany.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr P.B. WATSON: I am not worried about that. I am worried about this.

Mr T.K. WALDRON: I understand that, but there is a precedent for this. We made that decision; it met with CSRFF guidelines and it was identified as a priority for those outer areas. We are funding facilities at Joondalup, Mandurah and Ellenbrook for the same reason.

Mr P.B. WATSON: So, the criteria for CSRF funding now is not for people to apply but for the government to do what it wants with it?

Mr T.K. WALDRON: No. The CSRFF remains at \$20 million. In Labor's time in government, the fund increased from \$8 million to \$9 million. This government increased and maintained the fund at \$20 million per annum, so it more than doubled what goes out to communities right across Western Australia. We made the decision that the Cockburn facility fitted the CSRFF criteria and the government is funding this part of the project out of that fund over a three-year period, just as it did for Albany's Centennial Oval.

Mr P.B. WATSON: Therefore, it is a waste of time for sporting groups in regional and city areas to apply for funding, because the government will make the decision anyway. I thought that was the reason the board was set up.

The CHAIRMAN: What is the question?

Mr P.B. WATSON: The process must have changed.

Mr T.K. WALDRON: The process has not changed.

Mr P.B. WATSON: The minister is making decisions without going to the group that runs the CSRFF. Is the minister telling the board what to do?

Mr T.K. WALDRON: This facility was identified by the department and the government as a major priority. The director general can tell the member what the focus has been. We have identified a great need for these types of facilities, and \$20 million will go out each year for that. This \$2 million will not go through this process; however, the other \$18 million will.

Mr M.P. MURRAY: I refer to spending changes on page 536 showing a decrease in funding of \$1.651 million in the community sporting and recreation facilities fund. Is that to balance the books as a result of a decision the minister made?

Mr T.K. WALDRON: It is not because of that. Every year I answer the same question in this place. The member knows that CSRF funding is granted on a needs basis, so cash flows are always moving through. For instance, the Albany Centennial Oval project was funded in 2008, but it did not require all the money in 2008, so we paid some money out along the way but we did not pay the last instalment until this year. There will be overruns with cash flow. Also there may be projects that cannot get matching funding from the shire or council and the proponents will pull out of the project and the money comes back in. We always make sure that there is \$20 million in the fund, although the figures never show that because of the cash flow factor. If the member wants further detail, I could get Alex Watt to comment further.

Mr M.P. MURRAY: My main concern is that a ministerial or cabinet decision is impacting on other areas.

Mr T.K. WALDRON: No, it is not.

Mr P.B. WATSON: It is impacting, because \$2 million is not there.

Mr T.K. WALDRON: The decision to fund that facility meets all the criteria, and \$18 million goes to fund other projects. It is a decision the government made in the best interests of sport and recreation.

Mr P.B. WATSON: And for the Dockers.

Mr T.K. WALDRON: We identified a need. It was a bit like identifying the need in Albany, which was fair enough.

Mr P.B. WATSON: Did the fact that the Dockers supported the minister's decision on the new stadium have anything to do with the club getting all that money for its new facility?

Mr T.K. WALDRON: This funding goes to the City of Cockburn. The total funding is \$106 million, so \$10 million is a small part of that. The Town of Victoria Park has a similar project but it is not at the same stage yet. Does the member for Albany want me to go through the funding?

Mr P.B. WATSON: No.

[10.10 am]

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr G.M. CASTRILLI: I refer to page 537 of the budget papers. As the minister knows, we have had some discussions in the past about kids at risk all over Western Australia, and about poor health, education and social outcomes. The minister refers to KidSport in the second dot point on that page and I know that he has been on about KidSport. I am interested to get an overview of the program and what beneficial outcomes it has had for families across Western Australia, if the minister can enlighten me, please.

Mr T.K. WALDRON: Certainly. I will not go on and on ad nauseam about KidSport because I regularly keep Parliament updated. However, it has been a hugely successful program. It was one that the director general and I talked about some time ago when we were getting complaints about the cost of sport for young kids and actually hearing mothers at netball games saying, “Sally is playing this year but Judy can’t play for three years because we can’t afford to have both of them playing because Johnny’s playing footy as well and I just can’t afford the subs.” Therefore, we introduced this program in which there is criteria to qualify with a health card, referees et cetera to allow up to \$200 to subsidise membership in a sporting club. So that everyone understands it, the money goes to the sporting club, not the individual, and we have had great support from our shires. I will give some quick snaps on it.

The CHAIRMAN: Quick would be good.

Mr T.K. WALDRON: At the moment, 30 630 individual kids are involved in it; just under 43 000 vouchers have been validated; and 127 local governments are involved, 28 in the metropolitan region and 99 in the regions. That figure of 30 630 I gave has actually been updated, I am sorry. It is now up to 31 688. I am sorry, I looked at the wrong figure. I think the really key figure is that around 46 per cent of those kids—that is, at least 14 000—have never been involved in a sporting club before. I think that is where the great value is. Those kids are now getting not only the physical and mental health benefits but also the social benefits that belonging to a club brings to young people—discipline, leadership, self-esteem and all those things. We have found that if a child cannot play in a sporting club because his mum and dad cannot afford it, his mates are playing and he is left out, that is when things can start to go wrong. I am not saying that it is the be-all and end-all, but it certainly has proved to be a great project. More than 2 200 sport and recreation clubs are involved in the project, so it is right across the state. We have about 370 referral agents to help connect those kids that include schools, community organisations and government agencies. Just to divert quickly, about 17 per cent of the 31 000 are Aboriginal children, nine per cent are children from culturally and linguistically diverse communities, and six per cent are children with a disability. Football probably has the highest number with about 30 per cent, netball, 17 per cent; soccer, 16 per cent; basketball, nine per cent; and then it goes through a lot of the other sports. I have the overall figures here for members opposite, which I am happy to table if members want to look at exactly what is happening in their own electorates.

The CHAIRMAN: You cannot table.

Mr T.K. WALDRON: I am sorry?

The CHAIRMAN: I have just been told that you cannot table.

Mr T.K. WALDRON: Okay. I will provide them afterwards. The reason is that they are updated; that is all.

The CHAIRMAN: Minister, I have been told that you can provide it as supplementary information, if you would like to do that.

Mr T.K. WALDRON: Yes, I will provide it as supplementary information.

[Supplementary Information No A4.]

The CHAIRMAN: Can you specify what it is?

Mr P.B. WATSON: It’s a great project, minister; we know that.

Mr T.K. WALDRON: I am going to provide the overall figures for KidSport in Western Australia and the figures for the electorates of the members opposite.

Mr M.P. MURRAY: I refer to “Regional Talent Development Network” on page 536 of the budget papers. Starting in 2013–14, we see the figures \$322 000, \$214 000 and \$214 000, all in the negative; and in 2017 there is nothing. Can the minister explain the reasons for that?

Mr T.K. WALDRON: It is a budgeting figure. I might get Alex to answer that. I can talk about the program, but I will defer the question on that line to Alex Watt.

Mr A. Watt: The royalties for regions funding, which comes in through the income statement on these budget papers, has made an allocation for 2014–15 of \$786 000 for the regional talent development network; and for

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

2015–16 a similar amount of \$786 000. Therefore, it actually does not come up in the appropriations; it comes in on the income statement as funding from royalties for regions.

Mr T.K. WALDRON: Just to add to that, royalties for regions invested about \$3.6 million and part of that is the regional talent development program. For instance, I think the Geraldton program was around \$550 000.

Mr P.B. WATSON: Is that before or after the 25 per cent down to 12.5 per cent?

Mr T.K. WALDRON: No, that funding comes out of royalties for regions, of which there is \$1 billion a year. That \$3.6 million was funded before and given to the department, as I understand it, to run these programs because they are country development schemes.

Mr M.P. MURRAY: My question, though, is that it is royalties for regions money. By taking it out of here, is the minister not again, to say the least, gilding the lily by saying that it was in this fund and now it has been taken out and called royalties for regions? That is only badging it. It is not actual money. The minister is only badging it under royalties for regions because it has come out of this area and been moved into the other area.

Mr T.K. WALDRON: No. When I became the minister, the South West Academy of Sport had just been established.

Mr M.P. MURRAY: There was a lot of money from the Collie region.

Mr T.K. WALDRON: Yes, there was and that was great. If the member remembers rightly, we lost the funding from one of the mines down there.

Mr M.P. MURRAY: That is right.

Mr T.K. WALDRON: Royalties for regions stepped in at that stage. I remember speaking with Brendon Grylls about it. We did not want that program to fall over because it was doing a hell of a lot of good. After royalties for regions stepped in, we then looked at what we wanted to do overall for talent development across the state. Royalties for regions invested an amount of \$3.6 million to make sure that we could develop talent pathways but not necessarily establish academies of sport everywhere. We have established one at Geraldton that is quite different from the one in the south west, and we will continue to make them different because we want to tailor them to the area. For instance, in my electorate in the wheatbelt there is a small program helping talented kids. That is what the money is for. It is royalties for regions money and it was transferred to the Department of Sport and Recreation because sport and rec has the expertise to run those programs. So, it is royalties for regions money, and there is \$3.6 million of it.

I have just got another note. The South West Academy of Sport in the member's electorate was allocated \$250 000 per annum for three years, and that is funded through the royalties for regions regional talent development network. Part of that money comes out of royalties for regions to support those academies, and we are developing one in Albany as well.

Ms R. SAFFIOTI: My question to the Minister for Sport and Recreation refers to the line item "Perth Rectangular Stadium Development" on page 540 of the budget papers, and the negotiations between the state government and Allia Venue Management in relation to the new heads of agreement that were struck. What role did the Department of Sport and Recreation have in negotiating those new heads of agreement?

Mr T.K. WALDRON: I think we have been through this pretty much ad nauseam in Parliament, but I am happy to go through it again. Quite simply, the Department of Sport and Recreation was involved in the negotiations for that contract. The final contract was negotiated by the Department of the Premier and Cabinet and Peter Conran, but sport and rec was involved in that and advised me throughout the process. We made the decision that we made, and I can go through that if the member wishes me to.

[10.20 am]

Ms R. SAFFIOTI: Was the final heads of agreement approved by the Department of Sport and Recreation, particularly that termination clause? Was it supported, approved and seen by the Department of Sport and Recreation when the final contract was concluded?

Mr T.K. WALDRON: Yes, it was because the process was that the final payment et cetera came through the Department of Sport and Recreation, me and then cabinet.

Ms R. SAFFIOTI: However, I am talking about the final heads of agreement rather than the final payment. The minister said that the final agreement was finalised between the Department of the Premier and Cabinet and Allia Venue Management. Was the director general present at those final meetings?

Mr T.K. WALDRON: I understand that both the Department of Sport and Recreation and VenuesWest were aware of the final contract.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Ms R. SAFFIOTI: Again, they were aware of it. Did they support it? Did they approve it?

Mr T.K. WALDRON: I took it to cabinet and cabinet approved it. Departments make recommendations to ministers. I think I went through this at length in Parliament. The director general will always make me aware of both sides of the story and will look at the positives and negatives of any recommendation and we will weigh that up, as does VenuesWest; it will present me with things and tell me what it thinks. At the end of the day, I, as minister, will either take it to cabinet or, when appropriate, make a decision. A lot of the time I take the advice of the Department of Sport and Recreation, and I take the advice of VenuesWest, but government does not always follow exactly what the department says. It will weigh up what it thinks is in the best interests of the state. That is what we do. When I take the advice of my department and members opposite do not agree with it, they say that I am weak and I roll over and just do what the department says; when I do not, they say that I do not listen to the department and that I should listen to the department. I try to strike a balance. I try to make all decisions in the best interests of taxpayers and the sport, and I try to do that in a balanced way.

Ms R. SAFFIOTI: I again ask: did the Department of Sport and Recreation support the final heads of agreement that went to cabinet?

Mr T.K. WALDRON: Yes. I made the decision. The Department of Sport and Recreation raised different concerns along the way, and it should do that because I need to be aware of its concerns. I weigh them up. After looking at the result at nib Stadium, I am sure that the Department of Sport and Recreation fully support what we did. I will take the member through what happened. I know I have been through this, but she does not seem to understand. She will remember that we needed a rectangular stadium for the sports in Western Australia. We had two options: we could redevelop nib Stadium for about \$95 million—in fact, at first it was \$101 million if we put everything in it—or we could build a new stadium on a greenfield site, which, we were advised, would cost up to \$300 million. At one stage, the Department of Sport and Recreation put to me that we should look at that, and we did look at that. However, we felt at the time that we had a reasonably good stadium that definitely needed upgrading—there is no doubt about that—and to do that we had to finalise a lease for the site with the City of Vincent. The City of Vincent was part way through that 20-year contract with Allia, so we had two choices at that stage. Firstly, we could terminate the management contract, which would have resulted in the state being required to, if you like, materially compensate Allia; we would have had to pay had we done that. It probably would have delayed what we were going to do and there could have been court cases. I think it would not have been a good result for the state. Secondly, we could continue with the existing contract with Allia. The member will remember from our debates that those options were clearly explored in a review of the government's arrangements at nib Stadium that we commissioned KPMG to undertake in 2010. That was so that we understood the contract. It gave the government the two options. If we terminated the contract, Allia was entitled to damages. Put simply, we knew in 2010 that Allia was probably in a strong position, and whether the contract was terminated at that time or at a later time, it was always entitled to recover damages. I think I talked about the residual value during the debate in Parliament. We thought it reasonable to include a right-to-terminate clause that could be triggered by either party. We were aware of and accepted that there was a risk. However, we knew that Allia was doing a good job managing the stadium. If members remember rightly, the opposition asked the Auditor General to review the negotiations, and his advice to the member for Victoria Park was pretty clear. He found that negotiations between the state and Allia did go through due process and he found no inconsistency with government policies, instructions and standards. I remind the member again and then I will finish —

Mr P.B. WATSON: This is a media statement.

The CHAIRMAN: Minister, the answer has now gone on for over six minutes.

Mr T.K. WALDRON: I will finish by saying that what we delivered was originally going to cost \$101 million. Yes, there was a payment to Allia of \$8 million, but we managed the program so that it affected only soccer. At the end of the day, we were able to deliver that program for around \$95 million, which I think was a great deal for the state.

Ms R. SAFFIOTI: At the beginning of that six-minute speech, the minister said that the department had concerns with the agreement. Did the Department of Sport and Recreation have concerns with the new termination section of the heads of agreement?

Mr T.K. WALDRON: The department pointed out to me what that meant.

Ms R. SAFFIOTI: So it pointed out that it was going to cost possibly millions of dollars?

Mr T.K. WALDRON: I will go back. The alternative was to build a new greenfield site or —

Ms R. SAFFIOTI: I am asking the minister whether the department pointed out the risk to taxpayers of the new termination part of the agreement.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr T.K. WALDRON: There was a bigger risk to taxpayers if we had gone the other way.

Ms R. SAFFIOTI: Did it point out the termination risk?

Mr T.K. WALDRON: It made the point that that clause would result in a payout, but we always knew that there was going to be a payout.

Ms R. SAFFIOTI: How did the minister know that it was going to result in a payout?

Mr T.K. WALDRON: It was because there was a residual value, and the options were explored and reviewed by KPMG.

Ms R. SAFFIOTI: That was only if it terminated.

Mr T.K. WALDRON: Honestly, I think I have answered this question.

Mr P.B. WATSON: No, the minister has not.

Mr T.K. WALDRON: I have answered it in Parliament on about five occasions.

Ms R. SAFFIOTI: It is clear now that the Department of Sport and Recreation warned against the new heads of agreement because of the new termination clause.

Mr T.K. WALDRON: No, it did not warn; it gave me advice all the way through and it said that that would mean that there would be a payout. However, we were aware of that, because there was going to be a payout whichever way we went. I will add one thing, and I am happy to table it. Since we have had the debate in Parliament about the Department of Sport and Recreation and VenuesWest, we have asked the Auditor General to look at this stuff. The director general invited the Auditor General to do that in case I was missing something or in case there was something that was not right. I would like to read —

Ms R. SAFFIOTI: I have no doubt that the department did its job.

Mr T.K. WALDRON: I would like to read —

Mr W.J. JOHNSTON: The minister does not have to read it out.

Ms R. SAFFIOTI: I am not arguing that the department did not do its job.

The CHAIRMAN: Members!

Mr T.K. WALDRON: I think the member needs to hear it in relation to the question.

The CHAIRMAN: The minister is answering the question. The member puts the question and the minister answers the question.

Mr T.K. WALDRON: I want to read this letter and I will table it. It is a very short letter.

Mr P.B. WATSON: The minister cannot table it.

The CHAIRMAN: You cannot table it.

Mr T.K. WALDRON: I will provide the letter as supplementary information.

Ms R. SAFFIOTI: Can the minister provide the final comments from the department on the agreement?

Mr G.M. CASTRILLI: Madam Chairman, can I ask a follow-up question?

Mr P.B. WATSON: Excuse me; the minister is speaking.

The CHAIRMAN: Through the Chair! If you would like to ask —

Mr P.B. WATSON: Go through the Chair; get on the list.

The CHAIRMAN: He is on the list. You can ask a further question, member for Bunbury.

Mr G.M. CASTRILLI: Would the minister please read out that letter to me so that I am fully aware of what it says?

Mr T.K. WALDRON: Yes. I would like the member for West Swan to hear this. At the end of the day, the decision on this payment was made by cabinet. I just make that clear: it was made by cabinet. This letter from the Auditor General dated 6 May 2014 states —

Dear Mr Alexander

DISCUSSIONS AND VARIOUS INFORMATION PROVIDED CONCERNING:

- **HEALTHWAYS SPONSORSHIP OF PERTH GLORY**

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

- **REDEVELOPMENT OF NIB STADIUM**
- **ACTIONS BY DSR'S NOMINEE TO THE BOARD OF HEALTHWAYS**
- **RUGBY SUPERSUITE**
- **COMPENSATION PAYMENT TO ALIA**

Thank you for the time you have taken to provide briefings and documentation in relation to the above matters.

While I will take an interest in any further developments in relation to these matters, I confirm that the information I have received to date has not persuaded me of the need for any special investigation at this stage. However, some of the matters will of course be reviewed as part of my annual financial audit process.

Yours sincerely

Colin Murphy

Auditor General

I think that sets it out pretty plainly.

The CHAIRMAN: Can the minister just outline that supplementary information?

Mr T.K. WALDRON: This is a letter from the Auditor General to the director general of the Department of Sport and Recreation about information around nib Stadium.

[Supplementary Information No A5.]

[10.30 am]

Mr W.J. JOHNSTON: What date?

Mr T.K. WALDRON: I said the date—6 May 2014.

Mr M.J. COWPER: I refer to “Relationship to Government Goals” on page 536 where it states “Broad government goals are supported at agency level by specific outcomes.” The table under “Desired Outcome” reads —

A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.

I note with interest there is a fair bit in the budget papers here in relation to football, netball, swimming and cricket. In light of the 2008 Department of Sport and Recreation report “Back on Track: WA State Trail Bike Strategy”, what is being done for other sports, in particular motorcycling in Western Australia?

Mr T.K. WALDRON: Under what we call operational sustainability funding we fund, I think, approximately 80 sports. That goes to the sports for the running of their sport. The member will have seen this year that we have provided also extra support through equipment grants and talent development grants, which all sports, both in the country and in the metropolitan area, can apply for, and they are proving extremely popular. I will not go through all the details now but if the member wants them later, I can provide them. At different times sports receive different amounts of funding. I do not have the exact details in front of me for the amount we have supplied to motorcycling, but it comes under that funding. That sport will get an amount. I do not know whether we have that amount, but I will try to get the department to get that. I know the member for Murray–Wellington has a real interest in that sport. It is a terrific sport. I meet with Motorcycling Western Australia regularly. We regard that as a good sport and will continue to support it.

Mr P.B. WATSON: The minister talked about motorbikes. What is happening with the trail bike strategy?

Mr M.J. COWPER: I was going to ask that.

Mr P.B. WATSON: I knew he was going to ask that. We have been waiting for it for six years now; we are just wondering where it is at.

Mr T.K. WALDRON: One of the problems we had with the trail bike strategy—I will cut straight to the chase—was the registration at the point of sale. We were okay with the other parts of it, but in dealing with Transport, issues kept coming up that thwarted us on that basis. We put money towards Pinjar and Gngangara to try to help those areas. In the end, the Department of Transport virtually said it just was not possible; it was not reasonable to have registration at point of sale. Remember this does not involve just my portfolio; it goes across a lot of portfolios. I took the lead because I wanted to try to be proactive in the area. That was a personal

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

decision of mine. I got the directors general from the Departments of Sport and Recreation, Transport, and Local Government and Communities to meet again in April this year to look at a way forward without that registration at the point of sale. A proposal to progress that strategy is underway and they will come to me with a submission very shortly. The Department of Local Government and Communities is seeking to amend the off-road areas regulations so that it can increase the current off-road vehicle registration fees towards the cost recovery model, so we can get more funding to enable us to do work for trail bikes. It will also undertake —

Mr M.P. MURRAY: A tax on motorbikes.

Mr T.K. WALDRON: This is off-road vehicles.

Mr M.P. MURRAY: Yes, on motorbikes.

Mr T.K. WALDRON: The strategy was to be a registration fee at the point of sale. It has to be ongoing if we are to do something meaningful. At the same time, the Department of Local Government and Communities is undertaking an educational campaign. I want to make this point: we could build six new off-road areas, but that will not necessarily stop all the accidents and the annoyance et cetera because people will always choose to ride trail bikes in various areas. I think we all understand that. The focus now is to try to provide that education and educate people better. We are doing that, especially for those initiatives we fund through the off-road vehicles account, which is administered through the Department of Local Government and Communities. That is part of the submission that will come to me. At some stage I would like to do more with some of the areas, but we just cannot at this stage. Ron Alexander headed up and got those groups together. The member asked a question. I will ask Ron to make a quick comment on how that is done.

Mr P.B. WATSON: The minister is giving five-minute warbles instead of getting to the point. We have plenty of questions to ask and he is stretching it out.

Mr T.K. WALDRON: I am trying to answer the member's question.

Mr P.B. WATSON: Just give us an answer—six minutes, five minutes.

Mr T.K. WALDRON: I just answered the member; did he understand what I said? There are two things: we are funding education.

Mr P.B. WATSON: I understood the first few words you said —

The CHAIRMAN: Members!

Mr P.B. WATSON: — and then you just waffled for five minutes. We only get a chance once a year to have a go.

The CHAIRMAN: Member for Albany! I have been asked by Hansard to bring some order here. Member for Albany—I just looked—you have now been interjecting for a minute. That takes time out as well. Minister, you wanted to deflect to your team.

Mr P.B. WATSON: Take control of the chamber!

The CHAIRMAN: I am happy to call you to order, member for Albany, if that is what you would like.

Mr T.K. WALDRON: I will say two things quickly so that the member understands me, and then I will hand over to Ron Alexander. We will amend the off-road vehicle regulations to increase the registration fee and we will undertake an educational program that will be funded through the off-road vehicles account, which is administered through local government. They are the two immediate things we are doing. I will hand over to Ron Alexander for any more detail.

Mr R. Alexander: Thank you, minister. Trying to get trail bike riding curtailed and finding more areas for them has been a difficult project because a lot of these people like to be free and go through the bush. Transport has not particularly wanted to impose any fee on that. We have recently got together all the directors general and a submission will go to our respective ministers to consider going to cabinet on a range of penalties such as mandatory confiscation for failing to register an off-road vehicle —

Mr M.P. MURRAY: Are you going to put kids in jail for riding motorbikes?

The CHAIRMAN: Member for Collie-Preston!

Mr R. Alexander: When it is on the member's property and they are tearing down his fences —

Mr M.P. MURRAY: I am not talking about —

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

The CHAIRMAN: Member for Collie–Preston! Questions have to go through the minister. Can we proceed with this? Thank you.

Mr R. Alexander: There is a range of things we wish to do to discourage people from riding on other people's property and we are working towards those areas where they can do it. That is in progress.

Mr M.J. COWPER: The issue here, minister, is that about 20 people per annum are either killed or seriously maimed on off-road bikes. It is detailed in the DSR report that there is a diminishing number of areas for people to ride in and an increase in the number of people involved in the sport. We are not denying that issues will arise because people ride bikes irresponsibly. What is the government doing to find places for people to ride lawfully?

Mr T.K. WALDRON: Under the operation of sustainability funding, motorcycling receives \$120 000, I think. I will clarify that with the member later. We have already spent money on upgrading Pinjar and Gnangara areas. As I said, we ran into problems —

Mr M.P. MURRAY: It is a long way from Augusta to Pinjar.

Mr T.K. WALDRON: At least we have done something in this area. The member can say it might not be a lot but we have done something. We ran into problems with the registration and have taken a different tack so that we can get funding to do more of that. That is the plan. I know the member for Murray–Wellington is interested in a motorcycle facility. He might want to ask about that in a minute, so I will not answer that question now.

Mr M.P. MURRAY: Does the minister have the answer ready?

Mr T.K. WALDRON: I know about it because I went and had a look at it with the member. When people come up with pretty good ideas, I want to have a look them and that is what I did. As we develop motorcycle facilities, there could be opportunities to allocate other areas. That is something that Sport and Recreation and I, as minister, will certainly look at, but we have to get the funding to do that.

Mr P.B. WATSON: I refer to \$3 million paid off the debt to the WA Football Commission shown on page 536. The Football Commission has \$10.5 million of debt from when the new stand was built there about 13 years ago. I note that some money has been allocated to the Fremantle Dockers, who probably earn something like \$50 million a year in turnover. Why will the West Australian Football Commission, which is the lifeblood of football not only in the city but also all over Western Australia, continue to have a \$7.5 million debt when there is no future plan for it when the new stadium takes over? I know the commission is very, very concerned about not being able to create its own revenue when it still has a \$7.5 million debt to pay off, but the government can give all that money to the Fremantle Dockers, which has a way of creating revenue.

[10.40 am]

Mr T.K. WALDRON: There are a couple of points. First, the money goes to the City of Cockburn, but, yes, the Dockers will benefit. The member should remember that the Dockers are putting in a substantial amount—more than the government. The Dockers have committed to that. We acknowledge the debt of the WA Football Commission. We have paid \$3 million off that debt. That was an acknowledgement that we wanted to assist with that debt. We are in ongoing negotiations over the new stadium. The Joint Football Working Group is going through the user agreements. What we have done with the \$3 million is to make it easier for the commission to maintain Subiaco Oval over the next four years, because we still have this season and the 2015, 2016 and 2017 seasons to play at Subiaco Oval. The member will have noticed that a new video scoreboard has been put in there, as well as a public-address system, which really was needed. Writing off debts or part debts for sports is something that both sides of this Parliament have done.

Mr P.B. WATSON: I think it is a bonus; I just think the minister should have done more.

Mr T.K. WALDRON: I speak to the Football Commission regularly. I think it is pretty grateful. Yes, it probably would have liked more. The City of Cockburn probably would have liked more for its facility, too, but there is a limit to what government can do. They both asked for more and they both received funding.

Mr C.D. HATTON: I refer to “Works in Progress” on page 540 of the *Budget Statements*. While we are talking about stadiums and football, it is my understanding that the preconstruction site works have been completed for the new Perth stadium site. Significant things will be happening with the construction of that stadium by the due date. Can the minister highlight some of the phases of that construction and what we can expect in the short to long term?

Mr T.K. WALDRON: As the member said, the preconstruction site works at the stadium were completed—six weeks ahead of schedule and within budget. As members know, we recently announced that Westadium had been selected as the preferred respondent to design, build, finance and maintain the new stadium and the sports

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

precinct. The final contract is now being negotiated. We need to make sure that we reach agreement on all the terms and conditions, and we hope to have that finalised by the end of June. The Confidem consortium is the reserve respondent. I am confident that agreement will be reached with Westadium, but if agreement cannot be reached for some reason, the reserve is there. That is what is done with these types of things. The Ertech Keller Joint Venture did a great job on those preconstruction works. Now that the preconstruction works have been finished, the site will be left to settle. Thousands and thousands of tonnes of sand were placed at the site. A lot of the issues that people thought might eventuate at the site did not eventuate. A lot of work had been done on the planning, so we pretty much knew what was there. The site will now settle. I think it proves that we made the right decision to go to the Burswood peninsula. Some of the scaremongering about the cost to remediate that site —

Mr M.P. MURRAY: You just sent the state broke.

Mr P.B. WATSON: Two billion bucks.

Mr T.K. WALDRON: I think it is a fantastic investment for the state and will be for the next 50 years. The location will have more than just a stadium; it is part of the entrance into Perth. The transport changes that will occur will be of great benefit to the general public. The bridge across the river will link the Burswood peninsula and the stadium with the city and other developments that are going on there, such as Elizabeth Quay and the sinking of the rail line. It links in with all those benefits. I think it is a fantastic process. We are on time. The budget looks good. It is planned that construction will start around the end of December this year and be completed in time for the 2018 AFL season.

Mr C.D. HATTON: It sounds like everything is going to plan. Just to get an understanding of it, has there been no setback up to now and is everything going to plan?

Mr T.K. WALDRON: No, we have not had any setback. We were criticised for taking a long time with the planning. I understand that, but I think it was a very wise decision to make sure that we were exhaustive in our planning. The consortiums that made bids for the stadium made it clear that we had done fantastic planning to get to that stage. I am not saying that there will not be a few hiccups along the way. It is a big project. I am sure that some issues will arise from time to time, but I think we are in a very good position to deal with those because of that planning. At this stage, we are on time.

Mr W.J. JOHNSTON: With respect to the answers the minister has just given, the main connector line for Western Power had to be moved from the south eastern side of the freeway to the northern side of the freeway. How much did that cost and did the Department of Sport and Recreation pay for that?

Mr T.K. WALDRON: I do not have that figure here. I will refer that question to Ronnie Hurst, who is the project leader. I know about the works on the power and about it being moved, but I was not involved in that.

Mr R. Hurst: That was part of the transport project definition plan —

Mr W.J. JOHNSTON: I am sorry, Madam Chairman; I cannot hear that answer.

The CHAIRMAN: Would you like to say that a bit louder, perhaps?

Mr R. Hurst: That was part of the transport project definition plan. It was identified as part of our planning process to move that powerline, as the member suggested. It was also part of the budget, which was \$339 million for the project. It was a component of that. I do not have the specific number for the allocation of that.

Mr W.J. JOHNSTON: Is it not on page 540?

Mr T.K. WALDRON: As Ron described, it is in the transport budget.

Ms R. SAFFIOTI: In relation to the expenditure undertaken so far, what was the compensation payment agreed to with Golfwest Trading Company Pty Ltd?

Mr T.K. WALDRON: I want to make sure that I say this correctly. I jotted it down, because I thought I would be asked that question. The compensation that the government negotiated with Golfwest was a contractual issue separate from the stadium; hence, it was outside the stadium budget. The contract was between Burswood Park Board and the golf club operator, as it was ceasing operations. It was negotiated by the Department of the Premier and Cabinet and the State Solicitor's Office. I took it to cabinet. That amount is confidential as per the settlement agreement, but I will see whether I could provide that as supplementary information in camera. As part of the settlement agreement, it was confidential. I am happy to ask whether they would agree to me providing that information to the member in camera.

The CHAIRMAN: What is the minister going to provide as supplementary information?

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr T.K. WALDRON: I will have to seek permission from the operator. As the member has asked that question, in fairness, I will seek that permission. If the operator is happy for me to provide that information, I will provide it in camera, because that was part of the agreement. I will have to take that back through the State Solicitor's Office. I am agreeing, by way of supplementary information, that through the State Solicitor's Office I will seek whether I am at liberty to provide the settlement figure that was part of the settlement agreement.

[Supplementary Information No A6.]

[10.50 am]

Ms R. SAFFIOTI: Who recommended or insisted on the confidentiality, given it was taxpayers' money used to purchase out an existing agreement? Why is it confidential?

Mr T.K. WALDRON: It was a commercial operation and it was part of the final negotiation, which was done by Peter Conran and the State Solicitor's Office.

Ms R. SAFFIOTI: Sorry, did the minister say it was done by Peter Conran?

Mr T.K. WALDRON: And the State Solicitor's Office.

Ms R. SAFFIOTI: Why was Peter Conran involved in this?

Mr T.K. WALDRON: Because that was the decision made by government.

Ms R. SAFFIOTI: Does he get involved in all these compensation discussions? Does Peter Conran handle the final points of all these key discussions?

Mr T.K. WALDRON: In some cases.

Ms R. SAFFIOTI: Why is that?

Mr T.K. WALDRON: Because Peter Conran, in his position and working with the State Solicitor's Office, looks at that for government.

Ms R. SAFFIOTI: Again, who insisted on the confidentiality? Was it the private sector —

Mr T.K. WALDRON: That is what I am going to find out for the member. If I can provide that information, I will. I have tried to do the right thing here.

Ms R. SAFFIOTI: Surely, in the minister's notes that he has prepared for today, although he does not have the figure, he would have information about the process.

Mr T.K. WALDRON: I do not have the information, so I cannot tell the member that today.

Ms R. SAFFIOTI: Maybe the minister can ask the director general to help him with this.

Mr T.K. WALDRON: Actually, that probably needs to be asked in a different division because that comes under Burswood Park Board, which is part of the Department of Racing, Gaming and Liquor. We are dealing with a different division.

Ms R. SAFFIOTI: Why is it not connected to the stadium?

Mr T.K. WALDRON: Because it was negotiated by the Department of the Premier and Cabinet. It is Burswood Park Board.

Ms R. SAFFIOTI: Yes, I know.

Mr T.K. WALDRON: It was not part of the stadium.

Ms R. SAFFIOTI: The minister began by saying it had nothing to do with the stadium.

Mr T.K. WALDRON: At that stage, it was not part of the stadium; it did not come under the stadium budget.

Ms R. SAFFIOTI: But the minister said that there was no connection to the stadium. I do not understand that. How can it not be connected to the stadium when the stadium is being built on the golf course?

Mr T.K. WALDRON: That is a fair question. It was not part of the stadium because Burswood Park Board had the contract with the golf club. Burswood Park Board controls Burswood Park and it had the contract; therefore, it was done that way.

Ms R. SAFFIOTI: Sure, but the minister said it was not connected to the stadium. I understand the golf course is getting smaller because a stadium is being built on half of the golf course. Is that correct?

Mr T.K. WALDRON: The stadium and precinct is going on the former northern nine holes.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Ms R. SAFFIOTI: That is the bit that the government is buying out. How then can the minister say that there is no connection between the stadium and the golf course?

Mr T.K. WALDRON: At that time, the negotiations on the contract were between —

Ms R. SAFFIOTI: I know who the negotiations were between.

Mr T.K. WALDRON: That is all I can answer.

Ms R. SAFFIOTI: The minister cannot tell me that the payout is not connected to the stadium. He cannot seriously tell me that, can he?

Mr T.K. WALDRON: They are separate issues. Obviously, there is a relationship because we are building a stadium there.

Ms R. SAFFIOTI: Obviously.

Mr T.K. WALDRON: They were done separately because of the structure of Burswood Park Board. That is all I can answer.

The CHAIRMAN: We are at 10 minutes on this question.

Mr T.K. WALDRON: Member, at that stage there was no budget for the stadium.

Mr W.J. JOHNSTON: Is the minister saying that the land access is not being paid for as part of the stadium costs?

Mr T.K. WALDRON: I am trying to work out what the member means.

Mr W.J. JOHNSTON: Does the minister understand the idea of land access?

Mr T.K. WALDRON: Yes, I do.

Mr W.J. JOHNSTON: Was that paid for as part of the budget for the stadium? It is a very simple question.

Mr T.K. WALDRON: That was a separate payment that came through the Department of Racing, Gaming and Liquor because it is Burswood Park Board.

Mr W.J. JOHNSTON: I do not understand the minister's answer.

Mr T.K. WALDRON: I probably do not quite understand the member's question.

Mr W.J. JOHNSTON: Is it part —

Ms R. SAFFIOTI: Has the Burswood Park levy, which was there to improve and maintain the beautiful Burswood Park, been used to pay out this golf club?

Mr T.K. WALDRON: No, it has not.

The CHAIRMAN: The member has asked the question. Minister, answer the question and then we will move on.

Mr T.K. WALDRON: What did the member say?

Mr W.J. JOHNSTON: Is the minister telling us that the cost of getting access to the land is not part of the budget for the stadium?

Mr T.K. WALDRON: No, it is not. I am sorry, but in all fairness, I misunderstood what the member said.

Mr W.J. JOHNSTON: I refer to the sixth dot point on page 537 of budget paper No 2. I understand that improvements to the Dockers stadium at Cockburn and the City Beach Surf Life Saving Club were both paid for from the community sporting and recreation facilities fund. Is that the case?

Mr T.K. WALDRON: Part of the stadium at Cockburn is, but not all—\$6 million out of \$10 million is coming out of the CSRFF

but the other \$4 million is, as I understand, coming from consolidated revenue.

Mr W.J. JOHNSTON: And the City Beach Surf Life Saving Club?

Mr T.K. WALDRON: I would have to check. Yes, it is.

Mr W.J. JOHNSTON: Does the minister consider both of those payments to those organisations to be part of the government's election commitment to maintain \$20 million a year for the CSRFF?

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr T.K. WALDRON: Yes, I do.

Mr W.J. JOHNSTON: The government has promised \$20 million —

Mr T.K. WALDRON: We have delivered that \$20 million since we came to government. We have done that so there is no question there.

Mr W.J. JOHNSTON: It was \$6 million for the Dockers; how much for the City Beach Surf Life Saving Club is deducted from that fund? Projects in the suburbs, the city and elsewhere in the state cannot get funds because the minister has given these large amounts of money to two single projects.

Mr T.K. WALDRON: I need to check on the surf club. Yes, Cockburn was done from the CSRFF. That is how it is being funded, so I take that point. I will just check the other one. Is the member asking whether it went through the normal process?

Mr W.J. JOHNSTON: No, that is a separate question and I can get to that, but that is not what I asked. I asked whether the minister deducted this from the amount of money available through the CSRFF.

Mr T.K. WALDRON: The surf club went through the normal process for an application. We have funded quite a lot of surf clubs around the state because they do good things. I think that one had, for many years, been chasing funding and finally we were able to do it.

Mr W.J. JOHNSTON: But the minister funded it from this specific program. The government went to the election promising \$20 million for communities across the state and then it siphons the money into two single projects.

Mr T.K. WALDRON: No, that is not correct.

Mr W.J. JOHNSTON: That is what the government has done.

Mr T.K. WALDRON: The member made that point with Cockburn and it was the same when we did Centennial Park at Albany in 2008. They were regarded as special projects. The surf club made an application along with all the other applications. This year we had around \$17 million for the major round, and we do two small grants rounds. I think we had applications that came to around \$40 million, so not everyone was funded. The surf club received \$950 000 of that amount and it went through the normal process.

Mr W.J. JOHNSTON: Who told the City of Cockburn to make a CSRFF application to get that \$6 million?

Mr T.K. WALDRON: As I said before, the Department of Sport and Recreation has identified—the member has heard me speak about it in here and certainly the director general has spoken about it—that I regularly hold a sports breakfast with all the sports and local governments so that they have access to me.

Mr W.J. JOHNSTON: That is not what I asked. I asked who told the City of Cockburn?

Mr T.K. WALDRON: What I am telling the member is that we made it clear to it that there was going to be a focus on those outer suburban areas because we identified a need. We felt that this project —

Mr W.J. JOHNSTON: Who told the City of Cockburn?

Mr T.K. WALDRON: It spoke to government.

Mr W.J. JOHNSTON: It is a simple question, minister. Who told the City of Cockburn to make the application?

Mr T.K. WALDRON: As government, we made a decision to do that.

Mr G.M. CASTRILLI: Madam Chairman, I do not mind 64 000 supplementary questions but I would not mind getting a question in.

Mr W.J. JOHNSTON: If the minister would do his job and answer some questions instead of rabbiting on and wasting everyone's time —

Mr T.K. WALDRON: I have already answered this question.

The CHAIRMAN: Member for Cannington!

Mr G.M. CASTRILLI: Madam Chairman, fair is fair. I do not think I have interrupted before but a series of supplementary questions have been asked, which is fine and I do not mind, but I would like to ask one as well, if the Chairman does not mind.

Mr T.K. WALDRON: I am happy to answer the member's question. I already provided the answer to a question from the member for Albany earlier on. I have already answered the question: the government made the decision.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr P.B. WATSON: The CSRFF is dead.

Mr T.K. WALDRON: The CSRFF is not dead. The member for Albany will benefit from it, as he always does.

Mr G.M. CASTRILLI: Thank you very much, Madam Chairman.

Mr P.B. WATSON: Get the dorothy dixer out.

Mr G.M. CASTRILLI: A dorothy dixer—I mean, God almighty!

Minister, I refer to the line item “Western Australian Institute of Sport High Performance Service Centre” under “Works in Progress” on page 540 of budget paper No 2. I notice that there is a final payment in 2014–15. There are Olympic Games in 2016 and I would like confirmation that this next financial year payment will be the last. I would like to know whether everything is on time, on budget and ready to go and whether the minister is anticipating any delay in this project.

[11.00 am]

Mr T.K. WALDRON: No, we are not anticipating any delay. There were some delays preconstruction, but we expect it to be finished in early 2016—no, 2015, I jumped a year because I was thinking of the Rio games. We want to get it finished by the end of this year. It will not be quite finished, although some of the athletes may be able to utilise some parts of it later this year for their preparation. It will probably be finished about March 2015.

It is a \$33.7 million project. The slab is poured and the structural steel and precast concrete panels are going up. It is alright for members opposite, but in the time that we have been in government, we have undertaken a big infrastructure program. It was greatly needed infrastructure. It gets back to some of the points the member raised—it is fair enough that he raised those points—but we have done quite a lot to develop the state’s facilities. In fairness to the previous government, there is the WA Athletics Stadium, which we finished off. This government has developed the basketball stadium, nib Stadium, the rugby oval and Barbagallo Raceway. We are now building the netball stadium, which has gone on for years and years, and the badly needed Western Australia Institute of Sport facility. I know that the member for Albany, as a former Olympian, supports that development. A big problem that we had was that to access the gym, athletes with a disability had to be carried. The gym was not up to the Western Australian Football League club standard, but this new facility will have the latest technology in sports science and recovery, state-of-the-art testing facilities, recovery pools, laboratories, an indoor runway for the national pole vault program and a gym for all athletes. It will be a fantastic development. We have done very well in Western Australia and punched above our weight in elite sport, but if we had not done this project, we would have fallen further behind the eight ball. I always make it clear to WAIS and when I am doing things for elite sports that we need both ends of sport; we need our elite sport for youngsters to focus on and aim towards, but we must never forget the grassroots level. That is why we have emphasised doing a whole heap of initiatives at the grassroots level as well, as that is the natural pathway to elite sports. The upper end, lower end and talent pathway funding is used to make pathways for kids in sport, while getting as many kids as we can out there playing sport for their own and the community’s benefit. This is another state investment to do that, and it is on time.

Mr M.P. MURRAY: I refer to the works programs on page 540 of budget paper No 2. How much does Allia Venue Management pay to use nib Stadium?

Mr T.K. WALDRON: The member should probably ask that question when VenuesWest comes in to the committee, as it is under the heads of agreement, and VenuesWest has governance of the stadium.

Mr M.P. MURRAY: Are there plans to bring that contract in-house at the end of the contract, in which case I am sure the minister would have to know, or to put it out to tender again?

Mr T.K. WALDRON: I will answer the question now, and if the member wants further information, he can get it when we do VenuesWest. I announced that we will get VenuesWest to run the stadium for the next two years. There are about four months to go on the Allia contract and then VenuesWest will take over the stadium for the next two years. In that time, we will investigate the best options for the running of that stadium. If we feel there are better options, we will go out and seek those better options. For the continuity of our sports, we want to ensure that the government’s agency, VenuesWest, which understands the sports and the management of the stadium, is contracted for a two-year period, because that makes good sense. It will not surprise me one little bit if VenuesWest does a terrific job of it, and it may well be that we continue with it or we go out and test the market, and if VenuesWest wins the contract on its merits, it wins on its merits. We did that for Perth Arena and will do so for the management of the football stadium.

Mr M.P. MURRAY: How much does Allia pay to the government now?

Mr T.K. WALDRON: That is a part of the heads of agreement. I am not quite sure what the member wants.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr M.P. MURRAY: I am trying to get at what the cost is now and what the cost could be in the future, which will trigger whether the contract for the stadium stays in-house or goes out to tender.

Mr T.K. WALDRON: Obviously, when we take it over, VenuesWest will have access—correct me if I am wrong—to the total business and will then run the stadium. It has a fair idea now of the cost, but it does not have all of the intellectual property at this stage.

Mr P.B. WATSON: Will VenuesWest be funded appropriately to carry out this task?

Mr T.K. WALDRON: I am advised that Allia paid between \$4 million and \$4.5 million for the rights to manage that stadium.

Ms R. SAFFIOTI: When did it pay \$4 million?

Mr T.K. WALDRON: I would have to get advice on when that was.

Ms R. SAFFIOTI: Was it at the beginning of the heads of agreement in 2003—sorry 2004?

Mr T.K. WALDRON: It is a 20-year agreement with —

Ms R. SAFFIOTI: Can the minister confirm the year; I was just going from memory. What year was it when it paid initially to have access?

Mr T.K. WALDRON: I think it was 2003. I will check it for the member.

Ms R. SAFFIOTI: But Allia does not pay an annual payment, does it?

Mr T.K. WALDRON: No.

Ms R. SAFFIOTI: Does it pay a contribution to maintenance?

Mr T.K. WALDRON: Yes.

Ms R. SAFFIOTI: Does it pay any other costs or access fee to access nib Stadium to help government costs?

Mr T.K. WALDRON: I will ask VenuesWest that, because it is that agency that oversees it, and it oversees it with a committee.

Mr P.B. WATSON: If VenuesWest does take over the stadium, will it be funded appropriately —

Mr T.K. WALDRON: I think we should do this in the VenuesWest section when David Etherton is here.

Mr P.B. WATSON: I would like the minister to answer the question.

Mr T.K. WALDRON: I will take the member's question, but if I cannot answer it, I will defer to VenuesWest.

Mr P.B. WATSON: Is the minister taking my question? If VenuesWest is to take over the stadium, will it be funded accordingly so that it can do it properly?

Mr P.B. WATSON: Obviously, we fund VenuesWest on an ongoing basis and the stadium will be one of the 13 facilities that it manages—it will be 14 then. We will resource it. We should be talking about this later, but VenuesWest is a commercial operator—I can clarify this when David Etherton comes in—and it will operate the stadium commercially and seek to make revenue from it, as it does with its other venues. The revenue it makes will decide on the level of resourcing. Remember, we resource VenuesWest across all of its facilities, not just for one facility.

Ms R. SAFFIOTI: In relation to compensation payments, I understand that the other body to be paid out at the new stadium is Klemap—I think it was doing the catering for the facility at the stadium. I understand that was finalised in February 2013. Does the minister have any information on the compensation payment made to Klemap?

Mr T.K. WALDRON: I understand that it was similar to the confidential golf agreement, but I will seek advice and if I can provide the member with the amount of that payment, I will. I do not know the answer to that question here and now. It is the same as the golf club payment and is confidential. I will seek the answer. I will have to ask whether Klemap and the State Solicitor's Office are happy to provide that information. If they are, I will provide it, but I will provide it in camera, because obviously the confidentiality provision is there for commercial reasons.

[11.10 am]

Ms R. SAFFIOTI: I cannot understand, if it is not an ongoing concern, why there are confidentiality reasons. It would be fair enough if it was still running the place, but it is not.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr T.K. WALDRON: I will get advice through the State Solicitor and through Klemap, and if I can do that, I will.

[Supplementary Information No A7.]

The CHAIRMAN: Does the minister want to outline what that is?

Mr T.K. WALDRON: I will get advice from the State Solicitor's Office and Klemap as to whether I can advise in camera the compensation amount paid.

Ms R. SAFFIOTI: In relation to the stadium, does the minister have any further information about the ongoing operating costs of the stadium?

Mr T.K. WALDRON: Which stadium is the member talking about?

Ms R. SAFFIOTI: The new one at Burswood.

Mr T.K. WALDRON: The new one.

Ms R. SAFFIOTI: The minister announced that it was a design-build-finance-maintain approach, so, obviously, there will be significant ongoing annual expenditure. Has the minister been given any advice about the annual cost of running the stadium?

Mr T.K. WALDRON: I will refer that question to the director general, Ron Alexander, and he might want to defer to Ron Hurst, because Ron heads up the steering committee that is dealing with that at this stage.

Mr R. Alexander: Yes, that is part of planning. Mr Hurst might want to —

Mr R. Hurst: Yes, that is part of the bid we are currently assessing. As part of the DBFM approach, they were asked to give us the design and construction price, as well as the service cost for the next 25 years. That is part of the tender assessment we are currently doing. So, yes, we do have that information and we are currently interrogating it.

Ms R. SAFFIOTI: The department is interrogating the information at the moment.

Mr R. Hurst: Yes.

Mr T.K. WALDRON: Yes.

Ms R. SAFFIOTI: But the department cannot provide any information currently about the annual cost.

Mr T.K. WALDRON: As I understand it, it is part of the tender, and we are still in negotiation on the final contract. I do not know whether Mr Alexander wants to add to that.

Mr R. Alexander: We have figures in the project definition plan about what we want it to be and all those sorts of things, but that is part of the tender process that is ongoing.

Ms R. SAFFIOTI: This is my last question on this issue. As I understand it, the budget has what is expected to be the full capital cost of the stadium, the precinct plan and the transport in the other area. Does the minister envisage that that capital contribution will fall, let us say, 30 per cent, once the whole tender arrangements have been finalised, but then a significant annual cost will need to be fed into the budget to reflect the different financing nature of the stadium compared with what was originally forecast?

Mr T.K. WALDRON: I will give an answer as best I can. Originally, we priced the stadium at \$690 million—that was three years ago, in 2011—and the precinct was \$70.2 million. We escalated those costs to today's dollars and the figures are \$820 million and \$81 million. There are also project costs of \$16 million. The total figure that we are working on is \$918 million. The transport cost is separate, so I will leave the transport cost separate. I will take the member through this so she can understand it. The total figure is \$918.4 million, and that is unchanged from the original budget that we approved. The capital works budget and its cash flow through the forward estimates period are currently shown to reflect a traditional design-construct-procurement model. It is a standard method for all the projects being delivered as public-private partnerships to —

Ms R. SAFFIOTI: I understand all that.

Mr T.K. WALDRON: Okay.

Ms R. SAFFIOTI: In relation to the finances, all I am asking is —

Mr T.K. WALDRON: In this case the government will be contributing 60 per cent of the total capital works value, which will be paid over the construction period.

Ms R. SAFFIOTI: Is it 60 per cent of the stadium, or the stadium and precinct?

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr T.K. WALDRON: The stadium and precinct; I am sure it is the stadium and the precinct. Those payments will be spread over the three years. The remaining 40 per cent will be paid to the project company in instalments across the 25-year operating period. But, remember, over that 25-year period, the successful consortium will be responsible for the maintenance of the stadium.

Ms R. SAFFIOTI: Yes; so the cost will be the capital contribution, together with maintenance and other project management costs, one would expect. That will be the annual cost for the next 25 years.

Mr T.K. WALDRON: But the maintenance cost for the next 25 years, as I understand it, is borne by the successful —

Ms R. SAFFIOTI: What I am saying is that there will be an annual payment that reflects the cost of capital, which is about 40 per cent.

Mr T.K. WALDRON: I think it is going to be a monthly payment.

Ms R. SAFFIOTI: All right; a monthly payment. But it will probably include three components. There will be the cost of the stadium, including the cost of capital for that consortium. It will also include the maintenance costs, and some project management overheads, one would expect.

Mr T.K. WALDRON: Yes, that is right.

Mr P.B. WATSON: How much is the Australian Football League contributing to the stadium?

Mr T.K. WALDRON: The AFL has told us that it will contribute to the stadium. We have not reached an amount that it will contribute. I know that it contributed, I think, \$5 million to the oval in Adelaide. Gillon McLachlan, the new chief executive officer, made some comment about that the other day. We will be talking to the AFL about that as we go forward. It will contribute, but I just make the point that it also contributed to other stadiums in Western Australia. It contributed to Joondalup and Bendigo Bank, and there is one more that I cannot remember; I heard it just the other day. The AFL does contribute.

Mr M.J. COWPER: It's probably Claremont.

Mr T.K. WALDRON: No, it was not Claremont. The AFL's contribution to the stadium is important, and we will obviously be pressuring to get that commitment from it. The AFL has given a commitment that it will support it, but we do not know to what level at this stage. When we have these negotiations, what is really important for the ongoing success of the stadium is the content that we get at the stadium. I am talking about major games and making sure that we get our content right. That is something that I and the team will be driving pretty hard.

Mr P.B. WATSON: Just bring Collingwood over every two weeks and it will sell out!

Mr T.K. WALDRON: Yes. It is an interesting point, though. The AFL gets a fair bit of criticism that it should do more, but if we look at all the other sports, we see that they do not put anything into stadiums. The AFL does contribute. I would like it to contribute more.

Mr M.P. MURRAY: That is a bit rough. We are looking at \$1.2 billion against a hockey stadium for probably \$200 million. Come on; be fair.

Mr T.K. WALDRON: Yes, they do contribute.

Mr M.J. COWPER: I refer to page 546 and an issue very close to my electorate—namely, the Logue Brook recreation offset trust account. I note that the allocation was \$214 000 in 2012–13 and \$222 000 in 2013–14, and this year's estimate is \$223 000. Just for clarification, is that a residual from the closing of Logue Brook Dam or what does that appear in these budget papers for?

Mr T.K. WALDRON: I have some information here that might make it clear. I will read this to the member because it will make it clear to him. An initial amount of \$10 million was repaid to the Water Corporation back in 2008–09 after the change of government policy. The member will recall that there was that \$10 million there. The balance of the account of \$228 944 reflects the interest earned on the funds whilst held in the trust. There is a collaborative working group, including representation from the Departments of Water, Parks and Wildlife, Sport and Recreation, and Health. It has been working on issues surrounding the de-proclamation of these sites, and some preliminary planning has commenced. The intent is to utilise the balance of those funds remaining in the trust account for site-specific planning and as a seed funding contribution to early minor works. It is anticipated that the trust account will have a nil balance by the end of 2014–15. So, they are going to utilise that interest earned on that money to do planning and some initial works for those sites.

Mr M.J. COWPER: That being the case, I am currently working towards getting the Harvey Weir opened for public recreation, given that it is a non-drinking water weir. Going back a few years, we saw the eradication of the whitewater kayaking facility that was at Harvey. There was an undertaking previously by government that it

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

was going to replace that, and there was some talk about it being in Armadale. Currently, a proposal is being put forward by a business person at Waroona, and they are looking at putting in a facility there.

Mr T.K. WALDRON: What sort of facility are they going to put in there?

Mr M.J. COWPER: A whitewater rafting facility for other sports. I am really concerned that again we seem to be spending a lot of money on football, netball and swimming—those mainstream sports—but there is not a lot of money for the Olympic sports, or peripheral sports, if you like. We have a paradoxical situation in which we have a world champion in this sport who is virtually unknown in this state, and there is no facility for him. He has to practise his craft outside the country.

[11.20 am]

Mr T.K. WALDRON: It is a fair point. In 2008, a \$5 million election commitment was made by the Liberal Party towards a whitewater park development. Canoeing Western Australia is working with the department at the moment to progress the development of a whitewater park. It has also contacted the Metropolitan Regional Development Authority for assistance to identify potential sites. Obviously, there is a site out there at Champion Lakes, but it is also looking at the possibility of other sites. That was at the request of Canoeing WA. I might get Ron to talk about that, because this has been between —

Mr M.J. COWPER: There is a private proposal.

Mr T.K. WALDRON: Is the member talking about a private proposal?

Mr M.J. COWPER: Yes.

Mr T.K. WALDRON: Has Canoeing WA been involved in that?

Mr M.J. COWPER: I believe so; I know the Deputy Premier has.

Mr T.K. WALDRON: I will just hand over to Ron because I do not know any further detail than that—Ron may.

Mr R. Alexander: A number of years ago we had a look at Penrith, because a site operates there that was built and operated during the 2000 Olympics. It is extremely expensive to operate, with all the power required to lift the water and all those sorts of things. The difficulty has been making these projects anywhere near stack up; that becomes the issue. We have funding of \$5 million; if it is a private operator, we are certainly happy to talk to private operators if they are prepared to fund it to the degree, and then there are also the operating costs. Some work has been done with Canoeing WA and there is some continuing work, but I must say that it requires a lot of money and a lot of operating costs.

Mr M.P. MURRAY: A quick interjection: maybe the department should look at irrigation waters.

Mr M.J. COWPER: The point the member for Collie-Preston made is correct, because the Samson Brook dam, as the minister knows, is used for irrigation as well. There is a proposal, and I will put it on the record: Bernie Worthington owns the property below Samson Brook, and all those topographical issues that were talked about and water and the flow of water are all there. There is a proposal out there and I strongly commend it.

The CHAIRMAN: Is that a question, member?

Mr M.J. COWPER: I would like to know whether the minister would pursue that particular issue.

Mr T.K. WALDRON: Look, we looked at a whitewater park out at Champion Lakes, and business cases were put forward, as I understand it, but they just did not stack up. If there is an opportunity that stacks up, it will be looked at more closely.

Mr M.J. COWPER: Perhaps a public-private partnership?

Mr P.B. WATSON: My question relates to “Asset Investment Program” on Page 539 of the *Budget Statements*; it is about the new stadium. Could the minister please break down the government’s requirement for the allocation of seats in the new stadium? For example, how many seats are reserved for interstate teams, the Eagles, the Dockers or casual attendance on the day?

Mr T.K. WALDRON: The seat allocations have not been determined at this stage. We, and I think the Premier, have been on record as saying that we want to make sure —

Mr P.B. WATSON: He wanted fat seats, did he not?

Mr T.K. WALDRON: Sorry?

Mr P.B. WATSON: He wanted fat seats.

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

Mr T.K. WALDRON: Fat seats?

Mr P.B. WATSON: Yes, so that he could fit in. Early on, he did say that he wanted the big fat seats.

Mr T.K. WALDRON: It is a good point, but those decisions have not been made as yet. A figure looked at was 10 per cent, which translates to 6 000 seats for the public. We have talked about up to 10 000 seats for the public, because we want to make sure that kids and everyone who wants to go can get access to them. Those negotiations will be part of the negotiations as we go forward; we have not got to that stage yet. But there will be a focus; the one thing I have made clear—the Premier has made it really clear—is that we want people to have access, but we also see this new stadium as a great opportunity for visiting teams, so more seating will be provided for visiting teams. I think it is worth noting, too, that a 60 000-seat stadium will give us a great deal more flexibility even with the clubs filling that stadium. That is amongst the issues that clubs have raised —

Mr P.B. WATSON: It will affect their membership.

Mr T.K. WALDRON: But if we look at the West Coast Eagles, it has a huge waiting list, so a lot of people —

Mr M.P. MURRAY: People will not have to wait any longer because they can go straight to the game.

Mr T.K. WALDRON: I think the AFL clubs will have around 13 different ticket types approximately—it might be 10. There are going to be all different areas, so there is going to be a lot more for the clubs to sell. The clubs are going to be able to offer members a hell of a lot more, and we are going to be able to offer the public a heck of a lot more. That is what the new stadium is all about.

Mr P.B. WATSON: Will there be any special ticket prices for people who live more than 300 kilometres from Perth? No, that is a serious question. People who —

Mr T.K. WALDRON: Ticket pricing has not been determined, so I cannot comment on that at this stage.

Mr P.B. WATSON: No, but it is something to think of, minister. People who travel more than 300 kilometres have to stay overnight and pay for fuel, whereas everyone else who lives here will, hopefully, get on a train and be out of the stadium by 8.00 pm.

Mr T.K. WALDRON: It is a fair point. Just on that—it is a bit generalist—the point the member raised is fair enough. But what I actually find is that quite a lot of people in the country, because they cannot get down on a regular basis, share memberships. Two couples will share a membership, so they get to go once every second home game. They can usually, then, meet their own sporting commitments in the country et cetera.

Mr P.B. WATSON: Not everyone can afford to be a member.

Mr T.K. WALDRON: This will give the clubs the opportunity to offer, I think, more flexibility in their memberships. At the moment, people become members so that they can get a seat. It will be a different ballgame, and the clubs are going to have to step up in that area.

Mr P.B. WATSON: I know that Etihad Stadium in Victoria has a multinational company doing the catering—I think Spotless Group does the MCG. Will there be special dispensation or Buy Local policy sort of issues for a catering firm from Western Australia to provide the catering?

Mr T.K. WALDRON: That will all be looked at as part of the tender process.

Mr P.B. WATSON: It is just a suggestion, minister, because I know that in Victoria and Western Australia, the price of food and drink at the football is just astronomical. If the minister wants people to keep going to the stadium on a fortnightly basis, he needs to do something about that.

Mr T.K. WALDRON: It is a fair point. I think the outgoing chief executive officer of the AFL made that point only a couple of weeks ago.

Ms R. SAFFIOTI: I have a follow-up question on the stadium. In relation to the ticketing that the member for Albany outlined, is the minister considering stadium memberships; that is, that people are members of the stadium?

Mr T.K. WALDRON: That is something that will be looked at. Is the member talking about like at Etihad where there is the Medallion Club? That is one of the options we will look at, but I am not saying we are going to do that.

Ms R. SAFFIOTI: Is the minister ruling it out?

Mr T.K. WALDRON: No, I will not rule it out; we just have not got to that stage yet.

Mr M.P. MURRAY: I refer to page 540 of the *Budget Statements*, which is about the new Perth Stadium; it is a follow-on question about the development of a retail precinct connecting to the new stadium. I wonder whether

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

the minister supports that, and has he received any development proposals for a retail precinct; and, if so, which group and when did it approach the minister with a plan about a retail precinct?

Mr T.K. WALDRON: No, we have not received any bids for a retail precinct. The precinct around the stadium precinct itself will be beautifully set up. I cannot go into detail yet because what the consortiums will have there is part of the bid. I think the member will find that it will be pretty good. There will be outlets et cetera around the plaza area, as I understand it. The stadium has a plaza around it, and then there is the actual retail precinct around that, and there will be oval lakes and things like that.

Mr M.P. MURRAY: Is the minister ruling out a retail precinct that may hook up with the casino?

Mr T.K. WALDRON: The land near the casino is not part of the actual stadium precinct.

Mr M.P. MURRAY: That is not the question.

Mr T.K. WALDRON: The southern nine—there has been no planning for that. We have just remediated that old golf course, and for the four coming years, that will be just open space and a general gentle recreation area. Other things may develop down the track.

Mr M.P. MURRAY: Is the minister not ruling that out?

Mr T.K. WALDRON: Another government might make other decisions; I do not know. As I have said before, we are just doing the precinct around the stadium; we have made no decisions on that other land.

Mr P.B. WATSON: How many sports will use this brand-new stadium, minister?

Mr T.K. WALDRON: It will be a multipurpose stadium. Let us be realistic: Australian Rules football will be the main driver. We expect rugby; we will use it for rugby union test matches and major games. I would like to think that rugby league will use it. I think it gives us the opportunity to perhaps seek to get a state-of-origin game in Western Australia, like Victoria had. The thing about this stadium is that we will be able to attract those big events. The Western Australian Cricket Association will use the stadium, but I do not know to what level. At the end of the day, that will be up to cricket, but there are some issues at the WACA ground and this new stadium will provide, I think, great opportunities for cricket. There will be concerts and we can hold world athletics championships. There will be great flexibilities in what we can do.

[11.30 am]

Mr P.B. WATSON: It would have been better if it had a roof like Etihad, minister.

The CHAIRMAN: Is that a question, member for Albany?

Mr P.B. WATSON: Yes; it is a good question!

Mr T.K. WALDRON: We have not released the final design yet. The planning was not to have a roof, although what we had as part of the brief was, I think, that a roof would cover around 80 per cent. So that is what I would expect. But we will wait and see when we get the final design.

Mr M.P. MURRAY: This is just a quick question to finish off. It is a very local issue. I cannot find in the budget papers the \$1.6 million for south west motorsports.

Mr T.K. WALDRON: Is the member talking about the \$1.67 million commitment?

Mr M.P. MURRAY: Yes, for the Collie drag strip.

The CHAIRMAN: Is the minister able to find a reference for that?

Mr T.K. WALDRON: I will find a reference. I am happy to answer the question. I know what the member is talking about.

Mr M.P. MURRAY: Put it under “Works in Progress” on page 540.

Mr T.K. WALDRON: I will take the member through it. An election commitment of \$1.67 million was made in 2008. The estimated project cost at the time was around \$3.5 million. The Department of Sport and Recreation worked with Motoring South West and the Shire of Collie to develop an application that complied with the community sporting and recreation facilities fund program. During this time, the project was scoped, and the cost increased to \$6.9 million. The shire secured a federal grant of \$2.974 million and applied some of its country local government funding and its own contribution to fully finance the project in 2013. The CSRFF grant of \$1.67 million was allocated to the Shire of Collie in April 2013. The shire has since had to undertake some environmental assessment of the site and has delayed the project. The shire endorsed the preferred site at its

Extract from *Hansard*
[ASSEMBLY — Tuesday, 20 May 2014]
p9b-28a

Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr John Castrilli; Ms Rita Saffioti; Mr Bill Johnston; Mr Murray Cowper; Mr Chris Hatton

February 2014 council meeting and appointed an environmental and engineering consultant, and they have commenced their detailed investigations. Following the engineering assessment, which is currently underway, a detailed time line will be produced. The funding has been allocated.

The appropriation was recommended.