STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2013-14 BUDGET ESTIMATES HEARINGS

TRANSCRIPT OF EVIDENCE TAKEN AT PERTH TUESDAY, 24 SEPTEMBER 2013

SESSION FOUR DEPARTMENT OF SPORT AND RECREATION

Members

Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Martin Aldridge
Hon Alanna Clohesy
Hon Rick Mazza

Hearing commenced at 4.15 pm

Hon PETER COLLIER

Leader of the House representing the Minister for Sport and Recreation, examined:

Mr ALEX WATT

Acting Director General, examined:

Mr RONNIE HURST

Project Director, New Perth Stadium, examined:

Mr BRENDAN WOOD

Chief Financial Officer, examined:

Mr ROB DIDCOE

Director, Facilities and Camps, examined:

Mr ROB THOMSON

Manager, Facilities Development, examined:

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Witnesses before the committee are required to read and sign a document headed "Information for Witnesses". Can the witnesses confirm for the benefit of Hansard if you have read and signed a copy of this document?

The Witnesses: Yes.

The CHAIR: I note that all the witnesses responded in the affirmative.

For the benefit of Hansard, can you confirm that you understand the document that you have signed?

The Witnesses: Yes.

The CHAIR: Again, I note that all the witnesses have confirmed that.

Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question.

These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record; and please be aware of the microphones and try to talk into them. Ensure that you do not cover them with papers or make noises near them. Obviously, everyone should make sure that they take it in turns to speak. Members, it will greatly assist Hansard if, when referring to the budget statements volumes or the consolidated account estimates, you give the page number, item, program, amount, and so on in preface to your questions.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values your assistance with this.

For the benefit of members and Hansard, I ask the Leader of the House to introduce his advisers to the committee, and for each adviser to please state their full name and the capacity in which they appear before the committee.

[Witnesses introduced.]

The CHAIR: We will start with Hon Darren West.

Hon DARREN WEST: Mr Chairman, I have a series of questions. They are of both VenuesWest and the Department of Sport and Recreation. Are you happy to mix those up, or do you want to keep the two areas separate?

The CHAIR: Sorry?

Hon DARREN WEST: I have a mixture of questions here regarding VenuesWest and Sport and Recreation. Do you want to mix them up or just go through them as we go —

The CHAIR: No, no. We have got the Department of Sport and Recreation here at the moment, so you can ask your questions of the Department of Sport and Recreation, and the very keen and eager members of VenuesWest are waiting in the wings at the back, so when we finish the hearing with the Department of Sport and Recreation, we will move on to VenuesWest.

Hon DARREN WEST: Okay; thanks. I refer everyone to the "Perth Rectangular Stadium Development" line item, and I have a series of questions.

Hon PETER COLLIER: Where is the line item; sorry?

Hon DARREN WEST: The "Perth Rectangular Stadium Development". The reference I have here is the "Asset Investment Program" on page 693. The reference is budget paper No 2, volume 2, page 693.

Hon PETER COLLIER: Yes.

Hon DARREN WEST: The questions that I have about this are to do with the payment to Perth Glory. Firstly, does the estimated total cost of \$95 million include the \$400 000 compensation paid to Perth Glory for reduced capacity, loss of advertising, displaced members and reduced corporate hospitality?

Hon PETER COLLIER: Mr Chair, we have just got a bit of commercial sensitivity here. The compensation payment is the subject of a confidentiality agreement with Perth Glory, so it is requested that we allow in-camera evidence to be taken.

The CHAIR: Obviously, the committee will need to give consideration to that.

Hon PETER COLLIER: Sure.

The CHAIR: But maybe, to assist the committee, you could advise us as to why the evidence would need to be given in camera.

Hon PETER COLLIER: Sure.

The CHAIR: I am sure that any agreement you have with Perth Glory would not preclude provision of that information to the Parliament. If the agreement has already been struck and the money paid, in terms of the guidelines issued by the Department of the Premier and Cabinet with respect to commercial-in-confidence, could you explain to us why the matter cannot be raised in public forum?

[4.20 pm]

Hon PETER COLLIER: Sure. I will ask Mr Watt to explain.

Mr Watt: I think we can certainly confirm that there was a payment of pretty close to \$400 000 made to Perth Glory; it was made in terms of a range of compensatable issues. But we think that the public disclosure of the information on that would disclose Perth Glory's revenues or contra-arrangements, which may create a disadvantage to future commercial dealings by Perth Glory. Disclosure, I think, would provide the market with Glory's commercial position, and therefore would weaken the competitive commercial processes, potentially damaging their private interests. I think also that in the development of any state infrastructure—sporting infrastructure in particular—when the use of that infrastructure is catered for use by private operators or private entities, to publicly disclose the detail on how the compensation payments are made and how they are calculated on a commercial basis by the government may not serve the state well in any future negotiations.

Hon DARREN WEST: Mr Chair, I would argue that we are sitting in in the Legislative Council in a committee of the Standing Committee on Estimates and Financial Operations. This is taxpayers' money that has been paid, albeit through a commercial arrangement, to a commercial organisation. I feel as though the taxpayers of Western Australia have every right to know the details. We are not looking for nitty-gritty specifics, only some general details in my line of questioning. I wonder why there would be a need to keep such information withheld.

Hon PETER COLLIER: I think it is in relation to the confidentiality for Perth Glory though, not the government.

The CHAIR: Yes, that is what I thought, but I am not sure why—if we paid over money to Perth Glory, why that —

Hon DARREN WEST: Governments pay money to commercial organisations all the time.

The CHAIR: Hon Peter Katsambanis.

Hon PETER KATSAMBANIS: Can I just participate in this? I am not going to be in any way at odds with Hon Darren West. We have already heard today that the government has made a payment of around \$400 000 to Perth Glory. Quite clearly, Perth Glory would not want it to be broken down into what percentages related to loss of corporate hospitality, what percentages related to advertising and what percentages may have related to gate takings or whatever. Look, we understand all of that. But I guess the initial question from Hon Darren West—it is a question that I would like answered as well—was, whatever the quantum of compensation was, was it included in this \$95.1 million, as is shown in the budget papers, or was the payment separate to that \$95.1 million?

Mr Watt: Yes, I can confirm that the payment was made within the overall project cost; it was within that \$95 million.

Hon PETER KATSAMBANIS: Okay. I hope that helps us move on.

The CHAIR: I think the member is asking for some more detail of the break-up.

Hon DARREN WEST: I am, amongst other things, Mr Chairman. With your concurrence, I might just try my luck on these questions. Some of them will be more sensitive than others.

The CHAIR: You ask the questions and then if the witnesses indicate they want to move in camera, then I suggest that towards the end of the hearing we will adjourn and meet as a committee to make a determination. If we go in camera, we will take that evidence in camera at the end of this session. You can run through your questions for now.

Hon DARREN WEST: Yes, sure. Given we have established that the \$400 000 has been paid out of the total cost of \$95.1 million, I want the breakdown, which I think you have covered. But I am curious to know whether the moneys were paid as a cash compensation or were they a payment per match—a reimbursement of the fee charged to Perth Glory for the use of the match? What are the payment arrangements? How is that money transferred from government to Perth Glory?

Mr Watt: I might ask Mr Rob Didcoe to give that information. I think it is appropriate to provide that information.

Mr Didcoe: Yes, I thank the member for the question. The payments were made on a match-by-match basis. When Perth Glory played a game there, they got a payment for that particular match. If they did not play their games at nib Stadium, then there was obviously really no compensable event for that particular match so they would not have got paid.

Hon DARREN WEST: How many match payments would there have been?

Mr Didcoe: I have to take that on notice. I do not recall off the top of my head.

Hon DARREN WEST: Okay.

The CHAIR: I have put some questions on notice in regard to this matter. I am surprised that you do not have the information available to you. There were some questions on notice, so it is not as if it is a surprise that these issues may be getting raised. Obviously, there are different members asking the specifics now. I asked for some supplementary information—not as detailed as the member is asking, but I am surprised to hear that you do not have that information available for us.

Mr Didcoe: I will take your point, but the reality is that I do not have that information for you.

Hon DARREN WEST: Could I also ask, given that we have established that \$400 000 has been paid directly to Perth Glory—however, we are not quite illuminated with the details at the moment—were these payments made directly to Perth Glory or were they made to another organisation; and, if so, who?

Mr Didcoe: Payments were made to Perth Glory.

Hon DARREN WEST: My final question is—I think I know what you will say but I will ask—of the \$400 0000, I would like to know the breakdown in those four areas; that is, reduced capacity, loss of advertising, displaced members and reduced corporate hospitality. Is it possible to get a breakdown on the \$400 000 into those specific subheadings?

Hon PETER COLLIER: Yes, we can certainly say what it is for, but apparently the quantum is the issue. Is that correct?

Mr Didcoe: We can provide the information.

Hon PETER COLLIER: Do you have it here now?

Mr Didcoe: I have that information. Loss of signage revenue was \$212 800. We had some corporate revenue from suites that we removed, which was nearly \$61 000 and there was displacement of a range of members who could not occupy the seats that we had removed. They either could not have a seat or had to be reclassified into a lower category of membership; that was \$106 500. No payment was made for loss of capacity.

[4.30 pm]

Hon DARREN WEST: Can I ask specifically who made the payments? Did sport and rec make the payments?

Mr Didcoe: The Department of Sport and Recreation did.

Hon DARREN WEST: I think that is about as good as we are going to go on that. Thanks.

Hon PETER KATSAMBANIS: If I could seek indulgence for one second and ask the minister, since we are talking sport and rec, whether he would like to put on record any very brief comments about the West Australian Football League season and its culmination last Sunday?

The CHAIR: We definitely do not have dorothy dixers of that nature. Does Hon Martin Aldridge have any questions?

Hon PETER KATSAMBANIS: I still have questions.

The CHAIR: Oh!

Hon PETER KATSAMBANIS: Following up on the nib Stadium, the rectangular stadium issue, as raised by Hon Darren West, I notice on page 693 of budget paper No 2, it is referred to as stage 1 of the redevelopment. Is there a stage 2, is it funded, and what is the time frame for its completion?

Hon PETER COLLIER: No; there is no stage 2, it is not funded and there is no date for completion.

Hon PETER KATSAMBANIS: Okay.

The CHAIR: There is a stage 2 but it is not funded and you have no idea of when you are going to do it and how you are going to do it.

Hon PETER KATSAMBANIS: Is there a concept, is there a drawing—is there an anything?

Hon PETER COLLIER: No.

Hon PETER KATSAMBANIS: You are nodding no, okay.

The CHAIR: Minister, you might want to get advice from your advisers.

Hon PETER COLLIER: Sorry. That is correct, is it not? I am getting contradictory advice.

The CHAIR: I am saving you minister.

Hon PETER COLLIER: Excuse me, Apparently there is a master plan so I rescind my previous comment.

Mr Didcoe: Thank you, minister. When we first planned the redevelopment, the entire ground was taken into account. Stage 2 would be a new western stand. That is what the master plan incorporates and would ultimately take the capacity of the venue to around 25 000, but there is no detailed concept plan for that at this point, and clearly no budget for that development at this time.

Hon PETER COLLIER: I was half-right.

Hon PETER KATSAMBANIS: I now move to the KidSport program that has been implemented by the government over the past few years. I refer to page 691 of budget paper No 2. In relation to that program, are you able to give us the number of participants in the previous financial year and the projected number for this financial year in total?

Hon PETER COLLIER: Yes, we can do that.

Mr Watt: KidSport is part of an overall program called Sport 4 All, which is funded to \$18.5 million over four years. Of that money, \$10 million is allocated to the KidSport program. Since approximately January or February of 2012, we have issued approximately 17 750 vouchers, and of those vouchers, there were 16 400 unique recipients. In 2012, there were 4 000 vouchers issued, and in 2013, approximately 13 000 to 13 500. Of those issued, 10 800 were to boys and 7 000 approximately to girls. Of those kids registering for KidSport, 53 per cent or 8 400 kids had never before joined a sports club or been involved with a sporting club. Of those, 2 900 were Aboriginal children and about 1 800 were from culturally and linguistically diverse backgrounds. To 30 June, the expenditure and the overall program was \$2.65 million. We expect to push at least another 14 000 or 15 000 vouchers out this year, subject to the overall funding available for the program—there are other components to the overall Sport 4 All program. Just for interest, the sort of spread is about 5 000 participants in AFL football, 3 000 in netball, 2 800 for soccer or football, just under 1 500 for basketball, and then a number of other sports such as athletics, hockey, gymnastics, scouts and other less participatory sports. Most kids are hearing about KidSport through their local sporting club, of which there are about 7 000 registered.

Hon PETER KATSAMBANIS: Thank you; that is extremely comprehensive. Are you able to provide a breakdown by some sort of smaller cohort, be it postcode level or electorate level?

Obviously I do not expect you to provide it right now. Do you collate the figures on that sort of basis?

Mr Watt: I can actually give you the top local governments and the top suburbs for participation.

The CHAIR: Can we maybe take that on notice?

Hon PETER KATSAMBANIS: Yes, I would like the list. If you could take it on notice, I would like the list and if you could break it down by sport and by gender as well in each of the subgroups—the postcode groups or the suburb groups—I would really appreciate that.

[Supplementary Information No D1.]

Hon STEPHEN DAWSON: Mr Chairman, just on that point. If we are able to get the information by region, I am keen to know, particularly for my pastoral regions of the goldfields, Esperance, Kimberley, Pilbara, Gascoyne et cetera. If we could get a breakdown based on that because postcodes are not always that helpful in terms of working out where the dollars have gone because some postcodes go across boundaries or across electorates. So if you are able to do that, that would be grand.

The CHAIR: So that is all part of supplementary information D1.

Hon ALANNA CLOHESY: Mr Chairman, can I just ask a question on that?

The CHAIR: On KidSport?

Hon ALANNA CLOHESY: Yes, on KidSport. I was just going to ask how much was allocated. We talked about the numbers of KidSport programs, but how much was allocated in dollar terms for the year 2013–14 and for each of the following three years? Where is it in the budget papers because I could not find it. I saw the reference to it under "Issues Impacting the Agency" but I could not see it in the budget papers.

Mr Watt: The budget that was set each year as a budget base is \$2.5 million.

Hon ALANNA CLOHESY: Is that for each year of the forward estimates.

Mr Watt: It is for each year, but there is variation year to year. In the first year we did not actually get the program on the ground and operating until we were through that summer period, and then there was enrolment for the sports that go from late summer to winter. We expect the expenditure this year to be at least \$2.5 million, so we are trying to spread the \$10 million over the four years of the program, if you like. So, a smaller spend in the first financial year, and now the spend is picking up as more and more vouchers come into the system. The figure I have to 30 June, the entire program thus far is that \$2.65 million, and we expect this year to put out another \$2.5 million on top of that. When we get to the end of this financial year, we would have spent the \$5.15 million at least. There are other components to the Sport 4 All program, so we may reduce some of the expenditures in those other programs, or delay them, to cater for more vouchers for this program. But the budget total is \$5.15 million.

Hon ALANNA CLOHESY: I will come back to Sports 4 All a bit later, but what about each year of the forward estimates?

Mr Watt: There are some adjustments for the Sport 4 All program that will be the subject of future budget processes.

Hon ALANNA CLOHESY: We will come back to what they are a bit later because I just want to stay on KidSport.

The CHAIR: Are you saying that currently there is no money in the budget for the program?

Mr Watt: There is budget money this year for these estimates and the program is funded for next year, and there are some funding requirements for 2015–16 and 2016–17 that would be subject to a future budget process.

[4.40 pm]

The CHAIR: When you say funding requirements, is that for the growth of the program?

Mr Watt: No, to maintain the program.

The CHAIR: Is there any money currently allocated for those two years?

Mr Watt: In 2015–16 and 2016–17?

The CHAIR: Yes.

Mr Watt: In these forward estimates, no. But they are forward estimates.

Hon ALANNA CLOHESY: Are you talking about Sport 4 All or specifically —

Mr Watt: For the entire program —

Hon ALANNA CLOHESY: For the entire program there is no money in the forward estimates?

Mr Watt: This initial four-year period, 2015–16 and 2016–17, will be addressed in a future budget process.

Hon ALANNA CLOHESY: It will be addressed. So there will be money in future years, you just have not allocated it in the forward estimates?

Mr Watt: It has not been allocated but it will be subject to a future budget process.

Hon ALANNA CLOHESY: I am not sure what that means.

Hon PETER COLLIER: That just means that when Hon Terry Waldron goes through the budget process, he will seek additional funding for those years.

The CHAIR: Subject to the capacity of the state to provide it at that time.

Hon PETER COLLIER: Very astute, Mr Chair.

Hon ALANNA CLOHESY: Where is that program in the budget papers?

Mr Watt: It actually sits inside one of the services. It is on page 692, under service 2, "Building capacity and participation".

Hon ALANNA CLOHESY: Which page number is it?

Hon PETER COLLIER: Page 692.

Hon ALANNA CLOHESY: Whereabouts —

Mr Watt: It is part of the total cost of service.

Hon ALANNA CLOHESY: It is a component of the line item total cost of service.

Hon PETER KATSAMBANIS: I am done with KidSport. I have some other questions I would like to ask.

The CHAIR: Why does it not show up on page 695, under the heading "Details of Controlled Grants and Subsidies" if they are grants going out of the organisation?

Hon PETER KATSAMBANIS: They do not go to organisations.

The CHAIR: The grants do.

Hon PETER KATSAMBANIS: They go directly to kids.

The CHAIR: They are not part of the department.

Hon PETER KATSAMBANIS: But they do not go to organisations.

The CHAIR: But they go outside. They are grants.

Hon PETER KATSAMBANIS: Yes.

The CHAIR: Can we have an explanation why the aggregated amounts are not shown under "Details of Controlled Grants and Subsidies" on page 695?

Mr Watt: Under "Details of Controlled Grants and Subsidies" is the line item "Sports Financial Grants" that includes the payments for grants associated with KidSport and in addition to other grant programs. That total figure includes —

The CHAIR: Can we then get a breakdown of the different categories of grants contained within "Sport Financial Grants"? If not, I will make it supplementary information D2.

Hon PETER COLLIER: We might be able to answer it now if you like.

The CHAIR: I am happy to have it provided on notice.

Hon PETER COLLIER: It is quite extensive.

The CHAIR: You can happily table it now if you like, rather than giving it as supplementary information.

Hon PETER COLLIER: It has writing all over it that is all.

The CHAIR: Nothing better! We will be specifically requesting that document.

Hon PETER COLLIER: Don't tell them about—oh, sorry!

Mr Watt: That is a clean copy.

The CHAIR: We will distribute it to members and if members of the committee are happy we will make it public before the end of the hearing.

Hon PETER KATSAMBANIS: On page 689 of budget paper No 2, the last line item is a contribution of about \$1.655 million over two years to the International Cricket Council, and the description is "Cricket World Cup 2015." Could we have some explanation as to why that amount of public funds is being committed to the International Cricket Council?

Mr Watt: I might also ask Mr Didcoe and Mr Thomson for additional information, but in answer to the question, and as background, the local organising committee for the International Cricket Council Cricket World Cup 2015 announced on 13 July that Perth would be one of 14 host cities across Australia and New Zealand. There will be 49 matches played across 44 days in February and March 2015. Three matches will be hosted at the WACA ground over a week-long period: India versus a qualifier on 28 February; Australia versus a qualifier on 4 March; and India versus the West Indies on Friday, 6 March. The state committed \$2 million towards hosting the ICC Cricket World Cup 2015 event, which includes \$1.675 million over 2013–14 and 2014–15 to deliver the event overlay infrastructure and to bring the WACA ground up to the ICC's Cricket World Cup 2015 venue standard, including media facility upgrades. The state will continue to work with the local organising committee and WACA to deliver the event and promote Perth and Western Australia to international markets. There is a host city agreement that has been executed.

Hon PETER KATSAMBANIS: It has or it has not?

Mr Watt: It has been executed.

Hon PETER KATSAMBANIS: It has been executed. So that is a contribution the state is making towards the financing of a cricket world cup —

Mr Watt: Event overlay.

Hon PETER KATSAMBANIS: Okay. Following up on that, I do not know if you are the appropriate agency to answer this, but has there been any economic impact analysis or cost–benefit analysis done of the investment that the state is making in relation to potential tourism opportunities or the additional benefit to the state from contributions like this that the state provides?

Hon PETER COLLIER: Just from this event or across the board?

Hon PETER KATSAMBANIS: Yes, from this particular event.

Mr Watt: I am advised that principally regarding the economic impact—although I think we did have some involvement—it was Tourism Western Australia that conducted that.

Hon PETER KATSAMBANIS: I apologise, but I cannot actually hear.

Mr Watt: Tourism WA has taken the lead on that economic impact and the benefit it brings to the Western Australia economy.

Hon PETER KATSAMBANIS: So you cannot provide us with a record of that?

Mr Watt: No.

Hon PETER KATSAMBANIS: In relation to bidding for these types of events, as is envisaged in International Cricket Council Cricket World Cup, and again I am not sure if you are the appropriate agency for this question, but there was recently an international football match played in Melbourne that attracted significant publicity and economic benefit—Liverpool Football Club. Where you involved in any discussions to possibly have that match played here in Western Australia?

Mr Watt: As far as I am aware the Department of Sport and Recreation did not. Again, that would generally be EventsCorp or Tourism WA.

Hon PETER KATSAMBANIS: Okay, I will ask it again.

Hon RICK MAZZA: On page 689 there is a program rationalisation of \$500 000 for 2013–14. I want to know what programs will be rationalised.

Hon PETER COLLIER: Is that page 689?

Hon RICK MAZZA: Actually it is page 690.

Mr Watt: Program rationalisation relates to the Sport 4 All program that was initially a \$20 million program over four years, and the rationalisation is to bring that to \$18.5 million over four years.

Hon ALANNA CLOHESY: That is where they have to find the money a bit further down the track.

I cannot find anywhere in the budget papers a commitment for funding a swimming pool in Ellenbrook.

Mr Watt: That is correct. An amount for the Ellenbrook swimming pool is not in the budget papers.

Hon ALANNA CLOHESY: Not across the forward estimates?

Mr Watt: Not in the forward estimates, but, again, that is an item that would be subject to future budget process.

Hon ALANNA CLOHESY: So Tuck has got to find the funds, is that it?

[4.50 pm]

Hon PETER COLLIER: Yes.

Hon ALANNA CLOHESY: It is not in the budget at all?

Hon PETER COLLIER: No.

The CHAIR: Is it still a commitment of government, though?

Hon PETER COLLIER: I cannot speak for the minister himself. Suffice to say that I am sure he will articulate a very—dare I say it?—meaningful argument come the budget process.

The CHAIR: It was an election commitment, though, was it not, of the government?

Hon PETER COLLIER: It was.

The CHAIR: That does not guarantee that it is funded.

Hon PETER COLLIER: No. Do not forget that we are in the first year of a four-year term and we still have three more budgets to go.

Hon ALANNA CLOHESY: I refer to the paper that was tabled on the grants summary.

The CHAIR: If members are happy with that, can I have one of the committee members move that we make that public if they want to ask questions about it?

Hon ALANNA CLOHESY: Yes. I move that this be made public.

The CHAIR: All right. That is seconded. All those in favour? All those against? I declare that carried. That document is now made public and can be distributed to non-committee members if any of them are interested. Non-committee members can now read it! If any of you have read it, we will have to take you out and shoot you, certainly!

Hon PETER COLLIER: Rick will do that for you!

The CHAIR: He would want a bounty though!

Hon ALANNA CLOHESY: I would have thought the information would have been in this grants summary, but it perhaps is not, as I cannot see it. How much funding was in the 2012–13 budget, in the actual for 2012–13, in 2013–14 and in the forward estimates over the three remaining forward estimates allocated for Netball Western Australia?

Mr Watt: For clarification, is that the State Netball Centre—the asset investment?

Hon ALANNA CLOHESY: No, not for the State Netball Centre, but for the programs. I think it was a sports lotteries program or something.

Mr Watt: Yes, it was the organisational sustainability program.

Hon PETER COLLIER: While they are getting that, I say that we have actually contributed to Netball West for an Aboriginal cultural awareness program, which is being implemented right now—the same as throughout the WAFL.

Hon ALANNA CLOHESY: That is great. I am surprised that Hon Peter Katsambanis did not ask the minister that question. That is great.

Hon PETER COLLIER: Why would he ask me that question?

The CHAIR: He has still got his hand up for more questions! Do not encourage him.

Hon ALANNA CLOHESY: I am sorry!

Hon PETER COLLIER: Hon Ljiljanna Ravlich asked me questions and got accused of asking a dorothy dixer.

Hon ALANNA CLOHESY: I am a strong follower of netball. I am very interested in the health and vitality of Netball West as an organisation, and I think it is a fantastic sport.

Hon PETER COLLIER: It is.

Hon ALANNA CLOHESY: I would like to know how much has been allocated in the past in actuals and over the forward estimates, because I cannot find it in the budget papers.

Mr Watt: No; that is because the payments are made from the sports lotteries account in the main, and sometimes payments are also made from the sports wagering account, which is administered by Racing, Gaming and Liquor. The department uses the sports lotteries funds or the sports wagering account funds to support various sport and recreational organisations in the state. In our published annual report, which has just been tabled, the grants that we paid to Netball WA Inc—there are other netball bodies such as Bunbury Netball and so on—in the 2012–13 year was \$429 560 from the sports lotteries account. Just to give you the context of what the proportion of the overall sports lotteries account holds, the sports lotteries account last year received \$15 million from lotteries, and

out of the sports lotteries account, there is money also put aside to contribute to the operating costs for the WA Institute of Sport. That is a significant sum of money. Out of the remaining funds, Netball WA, at almost \$430,000, is quite a worthy recipient —

Hon ALANNA CLOHESY: Is that for 2013–14?

Mr Watt: No, that is for 2012–13.

Hon ALANNA CLOHESY: How much has been allocated for 2013–14?

Mr Watt: For the precise amounts, I would have to take that on notice, because that —

Hon ALANNA CLOHESY: Okay. Could you also take on notice the forward estimates for that for 2014–15, 2015–16 and 2016–17, if you do not have those available now?

Mr Watt: Yes, but we actually run the organisational sustainability program in a triennium, and that comes to an end in 2013–14, and then we do a reassessment against the criteria with each state sporting association to determine and make recommendations to the minister on the level of funding that should occur to each sporting association over the ensuing three years. So, 2014–15, 2015–16 and 2016–17 have yet to be determine or approved by the Minister for Sport and Recreation. The \$430 000 may be just the OSP, but it could also include other grant payments because we do annual top-ups.

Hon ALANNA CLOHESY: How can we get a breakdown of that?

Mr Watt: We can provide that on notice. I did not bring that with me today. There are 110.

[Supplementary Information No D2.]

Hon ALANNA CLOHESY: So, that is 2012–13 and 2013–14.

Mr Watt: I can say, as supplementary information, that netball is funded in the top five of all state sporting associations, so it sits on the top —

Hon ALANNA CLOHESY: Of women's associations?

Mr Watt: No—of all state sporting associations.

Hon PETER COLLIER: We look after them.

The CHAIR: Except it is the highest participation sport, but we will not go there.

Hon PETER COLLIER: It is.

Hon ALANNA CLOHESY: I am going to ask that generally in sport a bit later.

Hon MARTIN ALDRIDGE: Can I ask a question about the community sporting and recreation facilities fund?

Mr Watt: What page is that on?

Hon MARTIN ALDRIDGE: There are several references to it in the budget papers, but at page 695 there is a reference under "Details of Controlled Grants and Subsidies". I am just trying to get my head around the fund, because it seems to have different amounts of money in it each year over the forward estimates. I note that royalties for regions is now contributing to the fund. I wonder whether you could explain to me how the fund operates and how the CSRFF grants are going to be, I guess, quarantined—for want of a better word—in the regional component funded by royalties for regions?

Mr Watt: In terms of the general policy settings on the grant program itself, I might defer to Mr Robert Didcoe who has the policy settings under his wing, and then if we can perhaps come back to talk about how the money moves. It is often sometimes confusing on how we allocate in one year but then we do adjustments from the budget estimate to estimated actual to the actual—so it changes and we will come back to that perhaps so that we do not confuse you with the numbers.

Mr Didcoe: The program operates on a triennium basis, so that when we receive the applications and make recommendations, the funding from a particular round will be allocated over the next three years; and that takes into account some of the smaller projects, which can happen quite quickly, or a large project which will take time to do detailed design, so it might not need the money until the second or third year. I think I can answer the element around the R for R component. We are working with our colleagues at the Department of Regional Development and the Department of Lands at the moment. Our assessment process is quite detailed. We will be able to demonstrate which projects are in regional Western Australia, and we are working with them at the moment to finetune how that would work. General expectations at this stage, regardless of where the money is coming from, are that the program will continue to operate in the same way it already has.

Hon MARTIN ALDRIDGE: I assume you can have applicants for grants right across the state to the CSRFF. I assume the department has a component of the CSRFF that continues to be funded by the consolidated account, and a component is now funded by the royalties for regions account. Is that a 50–50 split?

Mr Watt: The simple answer is yes, it is a 50–50 split, but there is further work that we need to do in refining some of those numbers to match how we expect the cash flows to go out into the forward estimates. Yes, it is a 50–50 split at the moment, and there are elements that just need to be worked through and put into another budget process. I think—Rob can probably confirm—that the history of the CSRFF is that more than 50 per cent of the fund in recent times has gone to the regions outside the metropolitan Perth region as well.

[5.00 pm]

Hon MARTIN ALDRIDGE: Essentially because of the new funding model for the CSRFF, the department will be treating the regional applications and the metropolitan applications separately, according to the funding streams.

Mr Watt: I think what Rob is saying is that there will be the normal rounds, and probably the way those approvals will fall, it will fall pretty much over 50 per cent towards the regions, if history repeats, from the past rounds. There is probably no need to have a grant round for regions separate from metro. We get the grants in and if we need to make adjustments to make sure we do not encroach on royalties for regions' funding, that comes into our income statement to metropolitan projects. There is probably no reason to split a grant program or advertising for a grant program because that would add unnecessary overheads to the grant applicant and the department.

The CHAIR: If Hon Martin Aldridge is finished on that point, I have a couple of other questions to follow on from that.

Hon MARTIN ALDRIDGE: I have only one other question on the CSRFF. I understand that it is a fund, as opposed to the money comes in and all goes out this year. Could you point out in the budget papers where I can get a global amount of the capacity of the fund in this budget period and over the forward estimates?

Mr Watt: Absolutely. We have already referred to page 695, which has some information of the expenditures and details of controlled grants and subsidies; so, if you like, that is the money going out the door. On the same page, above the table in the income statement, there is a line about seventenths down from the top, which says "Income from State Government". It has "Royalties for Regions Fund" and there is an amount going into this budget estimate and to the forward estimates. For example, of that 2013–14 budget estimate, where it has \$21.062 million, \$11.250 million is the current income we are expecting this year for the CSRFF component.

Hon MARTIN ALDRIDGE: Is that the royalties for regions' funding coming in?

Mr Watt: That is coming in as income, not as an appropriation.

Hon MARTIN ALDRIDGE: Yes.

Mr Watt: For 2014–15, \$10.5 million; for 2015–16, \$4.576 million; and for 2016–17, \$4.576 million. In addition to that, I refer you to page 689, "Delivery of Services", and the figures at item 90, "Contribution to Community Sporting and Recreation Facilities Fund". Those combined with the income figures from the income statement then arrives at the —

Hon MARTIN ALDRIDGE: That is the fund.

Mr Watt: That is the current level of funding for this year of appropriation and the forward estimates. As I say, we need to do some more work on adjusting those expected cash flows

Hon MARTIN ALDRIDGE: That makes sense.

The CHAIR: Can I ask for a reconciliation over the trienniums, because I am not sure when the triennium runs from and to? I am having a great deal of difficulty tallying up the sums here, the sums listed under "Spending Changes" and the sums you are expecting to spend under "Details of Controlled Grants and Subsidies". There are a couple of years where you are getting more money from royalties for regions than you seem to be indicating that you will even be spending in that year.

Mr Watt: Then there are allocations that we had in previous years, where we brought the cash forward or we needed to bring the cash forward because the grant recipients did not deliver their projects in the initial time frame.

The CHAIR: I understand that, and you often have carryovers, but I would not mind a full reconciliation for whatever the most recent triennium is, whatever triennium we are in and the next triennium—how all of that reconciles in terms of appropriations and royalties for regions. You have said that you have estimated it is about 50:50, but I note that over the forward estimates you will get about \$31 million from royalties for regions, but you are expecting to spend only about \$50 million. That is not two to one. Are you saying that with that money for the regional areas, they will be the only people able to access the royalties for regions component? How will the appropriated money be split up? Will it go to predominantly metro projects or still be split 50–50 between metro and regional?

Mr Watt: I will get Rob to answer it, but it depends on what grant applications come in. There is a grant round every year, but depending on the nature of the component it may take three years for it to wash out through the system.

Mr Didcoe: My expectation based on the history of the fund would be that the majority of the non-royalties for regions money would most likely go to applicants in the metropolitan area, which would be consistent with how the fund has operated for the last 30 years.

The CHAIR: Except that in 2008 the government gave a commitment to spend \$80 million over four years and it did not do it. That is more a question for the minister.

Hon PETER COLLIER: It is.

The CHAIR: Perhaps the minister could explain that to us. You have provided some answers to questions on notice that clearly show that you never went anywhere close to making that \$80 million over four years; in fact, I do not think you make it over five years.

Mr Watt: There was more than \$80 million in terms of, if you like, if the fund was initially at \$38 million in 2008–09. There was a little lag period there to spill over into 2012–13, but the fund was initially agreed based at \$9.15 million per year. To top it up to \$20 million it needed \$10.849 million per year; so it became this \$20 million a year, \$80 million over four years. I have the figures here. Over four years the initial budget—and, yes, we do get to the next budget cycle and we change the estimates because of those cash flow vagaries that occur—it was \$84 million, or close enough.

The CHAIR: Sorry?

Mr Watt: In 2008–09 the budget was \$11.42 million; in 2009–10 it was \$20 million; in 2010–

The CHAIR: They are the budget figures, but it is not what was ultimately appropriated, is it?

Mr Watt: That is from the appropriations acts as they went through.

The CHAIR: But in the details you gave in answer to questions on notice you show that the actual that was spent in each of those years was significantly less.

Mr Watt: That is principally as a consequence of the cash flow issues that occur with projects that are principally around construction, as in delays and so on.

The CHAIR: But you either have a sum of money sitting in a CSRFF that is a significantly large sum of money that is allocated but unspent. The answers you have given here do not really give an accurate picture because the question was how much in each of the years has been appropriated. You said the budget was \$11.42 million but in the end the actual appropriation you drew down was \$10 million, so in each of the years you were drawing down less than was budgeted.

Mr Watt: And then there is cash that is carried forward into future years, yes.

The CHAIR: Can I get a reconciliation over the previous, current and future trienniums about how much money has gone in, how much money has gone out and within that the breakdown of the royalties for regions components, and when it comes in and goes out?

[5.10 pm]

Mr Watt: As a suggestion, we can do it by annual program and how the money then spills out.

The CHAIR: I am happy to get it either way. You have told me it is a triennium, and I want a complete reconciliation of the money that comes in and the money that goes out. I want the actual dollars—not what was in the budget—that went into the fund and then what was spent and what is currently sitting in the fund; and, if there are commitments you have not drawn down on, what those commitments are.

[Supplementary Information No D3.]

Hon DARREN WEST: Given what we have heard, the underspend on the consolidated revenue account over the last four years was \$80 million allocated but only \$60 million spent.

Mr Watt: No.

Hon DARREN WEST: They are the figures we have here. If I add up the allocations from 2008–09 through to 2011–12, they come to about \$60 million and the commitment was \$20 million a year, \$60 million is less than \$80 million! Would I be right in assuming that the money in the forward estimates is actually that unallocated money spread over the next four years, then married up with royalties for regions money, so there is no real contribution from consolidated revenue fund and that royalties for regions money, which exists in name only now, tops up that fund for the amounts that you specified. There are two things to that. If that then becomes the only new funder to the scheme, there can be no guarantee given—only an expectation, as you pointed out—that royalties for regions will not be used to fund city projects. Is the money in the forward estimates unallocated —

The CHAIR: Member, I think we will get the answer if we get the full reconciliation.

Hon PETER COLLIER: That is exactly right. We will provide the reconciliation for previous, current and future.

Hon DARREN WEST: Is there a reconciliation that royalties for regions is supposed to be sent to the regions?

The CHAIR: The royalties for regions funding will be part of the reconciliation they give us.

Hon PETER COLLIER: The member will be given all of that information.

The CHAIR: I refer the minister to page 689 and the estimated expenditure of \$10 million in 2014–15. Is that R for R money or an appropriation from the consolidated account?

Mr Watt: That is the consolidated account.

The CHAIR: Where and when was the R for R money appropriated or listed as a new spending item?

Mr Watt: It is in this budget.

The CHAIR: Where does that appear in spending changes?

Mr Watt: It is not an appropriation item for this division. It comes into the income statement as income to the department, so it is not an appropriated amount to the Department of Sport and Recreation; it is an income from the state government. That is the accounting treatment for it.

The CHAIR: When the department spends it, though, should it not be listed as a spending change somewhere for the agency? The income source might be from the R for R fund, but surely the department is getting extra income and it intends to spend it. Has the department expensed the R for R money in its budget yet?

Mr Watt: I refer the chairman to page 690 of budget paper No 2, which outlines the R for R initiatives in terms of the election commitments.

The CHAIR: Are they coming out of the CSRF fund?

Mr Watt: No, they come in as income as well. The explanation is that the table presents spending changes. There was no change to the amount spent; the amount in there was from the consolidated account. Some of the consolidated account funding was, if you like, reversed out and replaced with royalties for regions money in the income statement—if that makes sense.

The CHAIR: Basically, what was previously included in the budget as an appropriation has now been replaced with R for R money.

Mr Watt: A portion of it was, but then there is the top-up of \$20 million in the spending change—the \$10 million from the consolidated account in 2014–15 and 2015–16. That is the spending change, plus \$20 million.

The CHAIR: Can we get what money has been taken out of appropriations as part of the reconciliation as well?

Mr Watt: Yes.

The CHAIR: I would normally have expected spending changes to list what has gone in and what has gone out—it would have brackets around if it has gone out.

Mr Watt: It has been taken on a net basis.

Hon MARTIN ALDRIDGE: I have a question about the community pool revitalisation initiative on page 690. Can the minister confirm that relates to the election commitment of the National Party to provide grants to local governments that maintain public swimming pools?

Hon PETER COLLIER: Yes, it is. It is \$3.3 million in 2015–16 and in 2016–17

Hon MARTIN ALDRIDGE: Is the department aware of the program that was in place providing a small subsidy to local governments for their public swimming pools, which I think was in the order of \$330 000 in the 2012–13 budget, and that according to page 770 of the budget papers that no longer exists in this budget, 2013–14, and that that has essentially left a gap of two years in providing a subsidy to local governments?

Hon PETER COLLIER: It is not this division. It is under either Finance or Treasury.

Hon MARTIN ALDRIDGE: I understand it comes under the Department of Finance, but is the Department of Sport and Recreation aware that whilst we are funding a very good program from 2015–16, unfortunately, in 2013–14 and 2014–15 it would appear a Department of Finance program has been removed, leaving a gap in the provision of public swimming pools by local governments?

Hon PETER COLLIER: As I understand it that was for \$3 000 a pool and this is for \$30 000 a pool.

Hon MARTIN ALDRIDGE: That is correct.

Hon COL HOLT: I refer the minister to page 690 of the budget papers and the line item, "Royalties for Regions — Hay Park South Regional Multi-Sports Pavilion". I assume that is for the soccer—rugby stadium in Bunbury. Given the recent, in my opinion, disastrous announcement by Football West not to allow Bunbury Force to play in the state's premier league next year, is that commitment still going ahead? I refer to the around 3 000 juniors who will be playing soccer in that region. Given that commitment does go ahead, what is the department's plan to assist Bunbury Force to enter into that competition to utilise that sports pavilion to the maximum?

Mr Didcoe: The commitment is intended to go ahead. We are continuing our conversations with the City of Bunbury on the project. It is obviously not my area to talk about the Bunbury Force or to make some comment about that. Obviously the member knows we are keen to see the commitments that have been made progressed in a timely fashion. We will continue to assist the City of Bunbury to achieve that outcome.

[5.20 pm]

Mr Watt: I think the member is alluding to the application from the Bunbury Force to enter the NPL. Football West, which is the peak body for soccer in the state, conducted an application and selection process for teams to join the NPL and the Bunbury Force was unsuccessful with that application this time around. The department has a regional manager in the south west. We asked Football West whether we could review the process, and we were satisfied that there was a lot of rigour and a lot of oversight to the process around the selection of WA teams for the NPL. Our focus over the next year is to support the Bunbury Force. There are also supports from Football West to the region in terms of part-time development officers, and the department supports Football West directly with organisation sustainability and other grant programs. We will be looking to improve those elements that the Bunbury Force probably needs to improve to make sure that they get into the NPL in 2015.

Hon COL HOLT: Is there a pathway for them to do that in the future? Now that they have established the NPL, is there a pathway for them to be able to enter?

Mr Watt: My understanding is that there will be another round in the future—another pathway. Yes, that is my understanding.

Hon STEPHEN DAWSON: My question relates to the income statement on page 694. What percentage of the department's total budget is made up of funding from the royalties for regions program?

Hon PETER COLLIER: Did you say page 694?

Hon STEPHEN DAWSON: I am just using a spot where it mentions royalties for regions. You do not have to look at the page. I am just looking for the figures. What percentage of the department's budget is made up of funding from royalties for regions?

Mr Watt: Do you want the precise percentage?

Hon STEPHEN DAWSON: Yes. If you do not have it, you can give a guess, but I would like to get it correct.

Hon PETER COLLIER: Do you want the figure or the percentage?

Hon STEPHEN DAWSON: The percentage. You can give me both if you are working it out.

Mr Watt: In terms of income from the state government, page 695 will help. It has our service appropriations. This is in terms of recurrent appropriations. For 2013–14, the service appropriations are \$60 870 000 and the royalties for regions add \$21.062 million to that. It is roughly 24 per cent, but we can get an accurate percentage for you. The forward estimates vary depending on the contributions from royalties for regions. It is down to 16 per cent by 2016–17.

Hon STEPHEN DAWSON: Has royalties for regions funding replaced recurrent historical funding of any component of the department's budget?

Mr Watt: That is a difficult question. For the CSRFF, the long-term historical budget basis is \$9.151 million and in the last term of government that was topped up to \$20 million a year. Based on last financial year in terms of the CSRFF, yes, royalties for regions funding has replaced some of the CSRFF consolidated account funding, but in the long term, I suppose it could be seen also in addition to the long-term base. For other funding items, we have the district allowance, the regional workers' incentive allowance. That replaced the consolidated account funding for that. For 2013–14, that is \$98 000.

Hon STEPHEN DAWSON: So that I do not take up too much time, could I ask whether I could be provided by way of supplementary information with a list of what was historically funded by the department but is now funded by the royalties for regions program?

Mr Watt: I actually have a list, but they are the only two. I have a list of the royalties for regions amounts for this year that I can show you.

Hon STEPHEN DAWSON: I would love that. Can that be tabled, Mr Chairman?

The CHAIR: Yes, if Mr Watt is happy to table it.

Hon PETER COLLIER: Can I get clarification of what you are asking for?

Hon STEPHEN DAWSON: I am asking for what is now being paid for out of royalties for regions that was previously paid for by the department.

Mr Watt: It is only those two lines.

Hon STEPHEN DAWSON: In light of our day's hearings, what percentage of the department's staff are, firstly, female and, secondly, Aboriginal?

Mr Watt: On our last census, Indigenous employees were 4.3 per cent of the workforce and women, as a percentage of the DSR workforce, at the last census were 61.4 per cent.

Hon DARREN WEST: I am not sure whether I am on the right department but the question needs to be asked. There will not be a test match in Perth next year. Is that a budgetary issue?

Mr Watt: It is not a budgetary issue, but it is a great personal disappointment.

Hon DARREN WEST: Was it a competency issue? Was there a lack of application? Why will there not be a test?

Mr Watt: That was a decision by Cricket Australia.

Hon PETER COLLIER: It had nothing to do with us.

Hon MARTIN ALDRIDGE: I refer to page 690. The community sport equipment grants and the junior representative travel assistance are delivering on another two election commitments of the National Party. Can you advise when each of those two grants mentioned will start flowing?

Mr Watt: We are just finalising some of our policy settings. The regional travel grants will be to assist talented young people to travel to national championships and, as individuals, potentially to international events and also to state training camps or training camps from region to region. The \$250 000 a year is for the travel grants. The equipment grants are payments to sporting clubs—we

think it will be \$500 per club—for shared equipment. We are building a system at the moment to deliver that. We are utilising the technology that Regional Development is about to deploy in terms of an online system for young people and for clubs to apply for grants under those schemes. We hope for the minister to approve its operation from about November this year.

The CHAIR: I suggest that the best thing is for committee members to adjourn and everyone else to stay here while we make a decision about going into a private hearing. I ask committee members to join me in the President's corridor.

Proceedings suspended from 5.29 to 5.32 pm.

The CHAIR: The committee has determined that we would like you to provide us the details. Could Hon Darren West just go through again the specific areas around how the amounts were calculated? The committee is asking you to provide that information by way of supplementary evidence and to indicate that you would like it to remain private.

Hon DARREN WEST: The two parts of my line of questioning that were not fully addressed were how each of the four components was paid. Were they paid via a cash compensation or were they paid by match payment? I would like a bit more specific information on how that was calculated and paid, and how many payments there were. I think we established that they were match payments. More specifically, I would like to know whether the compensation payment was deducted from the match payment paid by, I think, Alia Holdings or Perth Glory to the venue, or whether there was actually payment made from the venue as compensation to Perth Glory. The other part of my questioning was about how many payments there were and how much each of the payments were—were they all the same amount or did they vary for each payment?

The CHAIR: How they have been calculated?

Hon DARREN WEST: And how they were calculated, exactly.

Mr Watt: Can I just clarify that we may not be privy to that level of detail on the commercial arrangements between Alia and Perth Glory.

Hon DARREN WEST: Sure. Can we establish that the payments were made to Perth Glory?

Mr Watt: From the state, yes.

Hon DARREN WEST: From the state to Perth Glory, so those are all we are interested in and privy to. I really wanted to know how the calculations were made, whether there was money actually paid to Perth Glory or whether it was deducted from the payment from Perth Glory to use the venue, the amount of each payment and how many there were.

The CHAIR: Please indicate whether there is any information in that supplementary information that you think needs to be kept private.

[Supplementary Information No D4.]

The CHAIR: I have one final question so Mr Hurst does not feel we have forgotten him! I note there are some concerns expressed about the clearance area of the new stadium—that the train station is too close to the stadium in terms of international standards for clearing patrons after a sporting event. How is that being addressed?

Mr Hurst: I think that would be a question for the PTA.

The CHAIR: This is about the clearance between your stadium and the railway station—the two are too closely connected, according to international experts.

Mr Hurst: That was one professional's opinion based on a superficial review of the information he had seen. We do not believe there is a significant issue there, given the way we have structured both the north and south platforms on the new rail line.

The CHAIR: Have you done studies to confirm that?

Mr Hurst: The location of the stadium was based on a review of the whole precinct and the distance from the station to the stadium itself, and we are comfortable that the patronage that will be going to the train station, which is identified in the transport PDP, will be sufficient.

The CHAIR: Is there any documentation you have that supports that?

Mr Hurst: To put it in context, the professional who came out and said that, I am not sure what information he had reviewed, but the public transport PDP covers the numbers there.

The CHAIR: I will chase it up with the PTA when we get them in.

I conclude by thanking all the witnesses here this afternoon. The committee will forward any additional questions it has to you via the minister in writing in the next couple of days, together with a transcript of evidence, which includes the questions you have taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I asked you to submit them to the committee clerk at the close of the hearing. Again, on behalf the committee I thank everyone for their attendance today.

Hearing concluded at 5.37 pm.