

**ECONOMICS AND INDUSTRY
STANDING COMMITTEE**

INQUIRY INTO 2011 KIMBERLEY ULTRAMARATHON EVENT

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
FRIDAY, 20 APRIL 2012**

SESSION ONE

Members

Dr M.D. Nahan (Chairman)
Mr W.J. Johnston (Deputy Chairman)
Mr M.P. Murray
Ms A.R. Mitchell
Mr I.C. Blayney
Mrs M.H. Roberts (Co-opted Member)

Hearing commenced at 11.15 am**HAMILTON, MR GLENN****Director Events, Eventscorp, examined:****LOWE, MR DAVID****Acting Chief Executive Officer, Tourism WA, examined:****DOLPHIN, MR GWYN****Executive Director, Eventscorp, examined:**

The CHAIRMAN: I would like to make an opening statement. Before we commence today, could I ask those of you in the public gallery to refrain from using audio recording devices that may interfere with Hansard's recording equipment, and also to keep it down; we have a large number of people here today, but welcome. I would also ask you to switch off your mobile phones during the hearing. To Tourism, thank you for your appearance before the committee today. This committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Before we commence, there are a number of procedural questions that I need an answer to. Have you read the "Details of Witness" form?

The Witnesses: Yes.

The CHAIRMAN: Do you understand the notes at the bottom of the form?

The Witnesses: Yes.

The CHAIRMAN: Did you receive and read the information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

The Witnesses: Yes.

The CHAIRMAN: Do you have any questions relating to your appearance before the committee today?

The Witnesses: No.

The CHAIRMAN: The committee has received your submission; thank you for your contribution. Do you propose any amendments to your submission at this time?

The Witnesses: No.

The CHAIRMAN: Before we ask any questions, do you wish to make a brief opening statement that addresses the terms of reference?

Mr Lowe: Yes, I do. Thank you for the opportunity to address the committee. Tourism WA has provided a comprehensive submission and a number of documents and video footage associated with the Kimberley Ultramarathon event to assist the committee with its inquiry. However there are a couple of matters that I would like to take the opportunity to highlight. The first matter is the role of Tourism WA and Eventscorp, which is part of Tourism WA. I believe that some misunderstanding may exist that the agency is an event manager or that the agency has some form of regulatory or overarching control over events. This is not the case. The Western Australian Tourism Commission Act 1983 does not give the agency any regulatory powers. Tourism WA also does not typically manage events. Our role is predominantly to sponsor events. Being a sponsor,

Tourism WA's contract with event holders does not actually authorise for an event to occur. Tourism WA will sponsor a number of events this year—over 80 events—but many more will occur without any involvement from Tourism WA.

The 2010 Kimberley event occurred without any formal relationship between RacingThePlanet and Tourism WA. The 2011 event was scheduled, promoted and well in train by RacingThePlanet prior to any sponsorship contract being signed. In the case of the Kimberley Ultramarathon, we were an event sponsor for 2011. However, the contract we had with media company Beyond Action was actually of greater value than the one we had with RacingThePlanet. Our focus right from the outset was to generate a television program that would showcase the Kimberley region of Western Australia internationally.

The second matter I would like to mention is that from the various submissions to the committee there appears to be a call for a common point of contact for all the various state and local government authorities in respect of dealing with event holders. Tourism WA is generally supportive of this concept as it could assist event holders navigate the regulatory environment and identify the relevant government agencies and other bodies that may be involved in one way or another with the conduct of events. However, careful consideration needs to occur about who this might be, what role they might play, what formal authority they might have, and ultimately how to ensure an appropriate and timely level of support for event holders. I thank you.

The CHAIRMAN: Thank you very much for that. What is the relationship between Eventscorp and Tourism WA? Are they one and the same in terms of decision making?

[11.22 am]

Mr Lowe: Tourism WA is a statutory authority and, within that, one of the operating divisions is called Eventscorp. The statutory authority is actually the Western Australian Tourism Commission.

The CHAIRMAN: How did Tourism WA hear about, and gather interest in, the 2011 RacingThePlanet race?

Mr Lowe: I will refer that question to Glenn.

Mr Hamilton: I am happy to answer that. A little bit of background, if I can, in terms of events and a lead-in to how we secured the Kimberley Ultramarathon: we were the first event agency in 1985, and now every state has an event agency, every territory has an event agency, so there is quite a bit of competition for events. There is no event supermarket out there, so we have to be very proactive when we are going to secure major events for Western Australia. We get a significant number of proposals delivered to us, but we are also often actively out there seeking major events. In terms of development, our purpose is to identify, develop and attract major events for Western Australia. We like to look at events that support our brand and our positioning, and we like to have a point of difference. In terms of our brand, Experience Extraordinary, we like to have events that are associated with that brand. We have strict criteria for events, and we can go through that in more detail if you need. But the main two criteria for us are economic impact and media impact, so when we are looking at events, they are the two main areas that we are trying to cover. If you have a look at our calendar, we can easily identify what criteria meet what particular event there. Media impact is about the television broadcast from the event. It is a cost-effective way for us to market Western Australia.

Because of this competition for events, in 2009 we had a presentation by Beyond Action, who were then known as Eurocam, and we talked to them about a significant number of events. We use our stakeholders to deliver events for us. They could be international federations, they could be television networks, they could be sponsors, they could be individual promoters, but we often have good relationships with these sorts of people that help deliver events for us. Beyond Action were the first people that identified the Red Bull Air Race to us as a possible target for us in the mid-2000s. One of our strategies was to develop and promote Western Australian events. We have some

significant Western Australian events such as Avon Descent, Rottneest swim, Anaconda Adventure Race, Lancelin Ocean Classic and The Doctor—which is a world cup surf ski race—which are unique to Western Australia. Often they would have been funded out of our smaller regional events scheme or a smaller pile of money, and we wanted to try to elevate these events. A lot of the event holders do not have the experience in terms of television broadcast, production and distribution, so we work with Beyond Action in terms of discussing: how can we elevate these events; how can we make them more known than just within Western Australia, but also nationally and internationally? The best way to profile these events is through media impact, so we are working with Beyond Action in terms of providing a very small amount of event funding to those five events I identified, and also we have then funded the television production and distribution of those particular events. They have all been very successful in terms of raising their profile. The event holders have got an increase in competitors; they have got an increase in corporate sponsorship due to that promotion of those particular events.

With that background, Beyond Action presented to us a large number of other events, and one of them was that he wanted us to have a think about RacingThePlanet as a possible event. He had heard about it and it had been on his radar in terms of television production and distribution, and so during our discussions we talked about that as an opportunity for us to target. So, in terms of that, Beyond Action made some contact with RacingThePlanet and suggested they contact the Western Australian government about some event funding. From then the process went through. Would you like me to keep going with the process in terms of —

The CHAIRMAN: For a while.

Mr Hamilton: All right. RacingThePlanet made contact with us. They talked about bringing the event to Western Australia in 2010.

The CHAIRMAN: What time was this?

Mr Hamilton: Beyond Action provided Eventscorp our details on 9 January 2009. They followed up with an email through to our Western Australian dotcom website and asked one of us at Eventscorp to recontact Mary Gadams, the RacingThePlanet CEO, which we did. So we made some initial contact via a phone call and via emails to discuss the opportunity.

The CHAIRMAN: And that was in 2009?

Mr Hamilton: Yes, it was. We talked a little about the event with Mary in terms of trying to attract RacingThePlanet to bring the event to Western Australia. It had not been to Australia before. She had other options to go to—Tasmania and Queensland. We obviously wanted to profile an event in Western Australia. Her thoughts were that the Kimberley was an ideal region for that particular event. We have a lot of events in the south west; we do not have a large number of events in the north west. So, in terms of our appeal, it appealed to us to be able to put an event such as the Kimberley Ultramarathon in that particular region. I discussed with the then regional manager of the north west in terms of his expertise about possible locations, and we provided some maps and some details of just initial thinking about where they could go and have a look at. We then arranged to have a site visit with them in 2010, and that was in March 2010.

The CHAIRMAN: When was the race in 2010?

Mr Lowe: April—at the end of April.

The CHAIRMAN: Right before their 2010 race.

Mr Hamilton: That is right. So we had a site inspection; we hosted them. Our role there is really just facilitating prior to introducing them to the right people. We introduced them to the El Questro contacts there, and we introduced them to the shire president. In terms of our role as a sponsor, that is about as far as it goes. They then had some ongoing discussions with those particular people, and then I am sure expanded out. They wanted a local event organiser, someone they could relate to and

work with, and we came up with a couple of suggestions which we provided through to RacingThePlanet.

The CHAIRMAN: Who were they?

Mr Hamilton: Jay Clifford was a local event organiser, and John Storey was one that was recommended to me, which I passed on to RacingThePlanet as a local expert in terms of —

The CHAIRMAN: Who was the first one you mentioned?

Mr Hamilton: Jay Clifford. So we introduced them. We came to the position that we were not in a position to fund the 2010 event. Even though it appealed to us—we thought it had a high media impact—we were not in a position to fund it at that particular stage, but it still went ahead without any television broadcast. Once I had informed them that we were not in a position to fund them, they carried on and ran the event in 2010.

In terms of the relationship, we followed up afterwards to see how the feedback was on the 2010 event, and also we had some initial discussions about making it an annual event. The RacingThePlanet 250 kays is a roving race, so it is one of the five events that they have. Four are desert races, and they have one roving event per year, of which the 2010 was a roving event, so the chances were that it was not going to come back. But because they had such a successful time and the competitors really loved it, they wanted to come back and create this Kimberley 100 Ultramarathon race in 2011.

[11.30 am]

We had some further discussions with them and then we went through the event development process in terms of putting together our feasibility and matter for decision. Then we went through our governance process within Tourism WA and we funded the event for 2011. This was the first event that we funded out of the royalties for regions funding. In May 2010 we were allocated \$2 million from royalties for regions funding. This was the first event we funded out of it. The process was not ideal in terms of timing. In early July we went to our board to get support for the funding, which we did. Between July and August it went through the RDL assessment and then through to cabinet in late August to secure funding. The timing in terms of getting approval and signing the contracts was very late for this particular event.

The CHAIRMAN: What was the role of Beyond Action? Was it a wholesaler or did it take a representative? Did it have a quality control function in terms of delivering events?

Mr Hamilton: No. Beyond Action is a television production and distribution company but it is obviously associated with a large number of events. We have a good relationship with them. Since early 2000 they have filmed a number of our events. They have been involved in the Tour Down Under. In terms of their event knowledge and expertise, we talk to them about what events are on the horizon and what opportunities there are for Western Australia. That is just one example. We do that for all the relationships we have.

The CHAIRMAN: You do not give them any quality control?

Mr Hamilton: No, not at all. They just provide some opportunities around which we have some discussions.

Mr Dolphin: From the wider context of the bigger event markets that Glen talked about, there is no supermarket for events. Much of what we do is based on networking relationships. As you understand, there is communicating behind the scenes because of the competitive nature of event procurement, event bidding and creation. We often work with practitioners through a number of cases, such as in this case, leading into a rights holder or an event proponent. This is not an isolated case of how we would work. We would look at every opportunity of people who work across a variety of other areas to open up doors, to build relationships, to network and seek those opportunities and to build them for the benefit of Western Australia rather than just take off-the-

shelf custom-made events and try to necessarily force them into a format that we work with. There will be events that will always be iconic and specific to the type of event they are. A cricket test match, a rugby test match or similar will always have very clear parameters as to what that event will be and you know who you are dealing with in terms of a governing body and a federation. The vast majority are not governed in that same way; they are not governed in the same style, and the access to them is therefore far more informal and based on a one-to-one relationship basis or a lead basis, and this is typical of that avenue.

The CHAIRMAN: As you indicated, you have a range of events that are risky, such as Red Bull, the Rottneest swim and others, inherently so. Your major objectives, which are twofold, are, first, events that are iconic to Western Australia, particularly in this case, up in the Kimberley and, second, media. If you are putting risk and media together, there is a case for positive spin-offs for Western Australia. There is also a risk of negatives. Therefore, when you go into these risky events, you have to vet them in a manner outside the details of due process, which you would go through, but you have to do so with regard to their track record. That is how you deal in business. When you were introduced to them in January 2009, did you look through their history of races? They had been around for a while. They had held many events in various kinds of countries. Did you look through them?

Mr Hamilton: As part of the development process—we do this for all events—we have a pre-feasibility process. Once they have an idea, we do a bit of a pre-feasibility. That is just internal. A lot of it is desktop research and talking to particular stakeholders. For RacingThePlanet, obviously the first part is looking at their website and reviewing every item, all the details, indications about their sponsors and looking at images, photos and videos. We get a lot of information from the website. They have extensive rules and regulations on that website. In January 2009 they made a PowerPoint presentation to me. From that you can pick up items like what PR is involved. The PR involved is CNN and Asia Business. There are significant print and online media positives from this event. The presentation also showed the number of competitor increases. They started in 2003.

The CHAIRMAN: I know they are high profile. I can understand the potential media spin-off. I am interested in their performance in terms of safety at their events prior to the 2011 event.

Mr Hamilton: During the research part of it, I look at all their events. I came to the conclusion that they had undertaken over 30 events around the world. Some of them are in the most amazing places. We wanted to register the Kimberley with Antarctica, China and Chile. The opportunity to put the Kimberley on that map with some of those other locations is ideal. We looked at all that sort of stuff. We look at the rules and regulations and what they require in those particular events. We researched all adventure opportunities. This is one opportunity with RacingThePlanet. What other opportunities are out there? There is the exit venture and there is the ecosystem. We try to work out what is the best event for us in Western Australia.

The CHAIRMAN: Had you identified any problems with safety at previous RacingThePlanet events?

Mr Hamilton: No. We certainly looked. There was no feedback from the 2010 events that there was anything —

The CHAIRMAN: I will get to that in a minute. In 2009, with the event in the Gobi Desert or anywhere else, did you explore or get feedback as to whether their safety record was up to scratch?

Mr Hamilton: I did research on a significant number of internet websites and I did not pick up the Gobi death in 2009 from dehydration. I researched all the other internet websites. It is not just that; it is also the blogs. You can get a lot of feedback on why athletes want to do these particular events—all that sort of stuff. There is an extensive event development process. Before we do that paperwork, there is an internal process and that goes through our board.

The CHAIRMAN: If you had identified the death in the Gobi Desert, it would not surprise anybody that someone running across the Gobi Desert for 250 kilometres would run into some hydration issues. There is that much safety assistance there like there is here. If you were to come across this—this is speculative—would your view of RacingThePlanet change?

Mr Hamilton: I possibly would have asked some questions but I also realise that Gobi happened in 2010. If I had noticed that the Gobi Desert event had stopped after 2009 because of some particular issue, I would certainly have asked why that was the case.

The CHAIRMAN: Did RacingThePlanet bring the 2010 Gobi Desert death to your attention?

Mr Hamilton: No, they did not.

Mr W.J. JOHNSTON: So you did not pick it up in the media coverage at the time either?

Mr Hamilton: No, not at all.

Mrs M.H. ROBERTS: Nicholas Kruse died on 8 July 2010 in the Gobi Desert. You were already in negotiations with RacingThePlanet but you did not notice that somebody died in one of their races?

Mr Hamilton: Did he die in 2010 or 2009?

Mrs M.H. ROBERTS: He died on 8 July 2010.

Mr Lowe: As an agency we did not pick up on that death and neither did RacingThePlanet disclose that to us. As a learning out of this particular incident in this event, one of our issues is looking at our event development process in terms of how we can be more proactive in that disclosure from the event holders, not just in the case of deaths but in injuries or deaths but also in other aspects where we may want some more formal disclosures.

[11.40 am]

The CHAIRMAN: When did you hear about the man's death in the Gobi Desert in 2010? When did it come to your attention?

Mr Lowe: It would have been after this particular event occurred.

The CHAIRMAN: Did you ask RacingThePlanet for evidence on their track record in terms of the health and safety of their participants? Did you ask them to provide you in writing or in some official manner a statement of their track record? Did you ask whether anybody had been hurt or whether they had had catastrophes and so on and so forth?

Mr Hamilton: No, we did not ask that particular question as part of the event development process. In terms of when I am reviewing it, I can see all the rules and regulations on the website. I look at their track history and look at the number of competitors that are out there that are interested in this particular event, I look at the blogs, I look at the website reporting, I look at what people say about RacingThePlanet and other event races.

The CHAIRMAN: But for a person who is participating in some of these, I would say you cannot trust what is on the website. People are risk seekers; as you said, there are all sorts of people out there doing crazy things and you are going to put not only state money but also reputation on the line in supporting this thing, so you have to go further. These offshore events are hard to get in touch with, and unlike Red Bull, they do not have a well-known reputation of delivering, you can see. So how did you go beyond what their website did and what efforts did you go to in digging down on the real details of these people? Did you ask Beyond Action if they had heard anything about these people?

Mr Hamilton: I did not ask Beyond Action; I am not sure if they are aware of it. They have not been involved with the particular event. They have only just had some. In their event radar they have come across RacingThePlanet. They have not been involved in any previous event.

The CHAIRMAN: Did Tourism WA liaise with the directors of other trail marathon and ultra-marathon events in Australia at that time to get feedback on RacingThePlanet, or on issues that might need to be considered when sponsoring the event?

Mr Hamilton: No, the websites I review are not just RacingThePlanet; they are all the key running forums that are out there: SleepMonsters, CoolRunning et cetera. So it was from all of that, it was not just the RacingThePlanet website. I do not believe everything that is written on a website, but in my research no negative issues came up in terms of the internet research.

The CHAIRMAN: There is a community of these ultra-marathon events.

Mr Hamilton: Yes.

The CHAIRMAN: Did you contact any of those who might be on your Rolodex to say, “Listen, have you heard anything about RacingThePlanet?”

Mr Hamilton: No, I did not, I took the research from what I did on the internet, in terms of the forums and in terms of discussions of videos et cetera that are on there.

Mr Dolphin: Just to clarify one thing, you said about the sharing of information between states. Because of the competitive nature of this business, there is very little sharing of knowledge.

The CHAIRMAN: Between official WA tourism organisations, but information would come from the ultra-marathon community, and they would talk to you because you might sponsor them.

Mr Dolphin: Yes, but you mentioned in terms of specific state-by-state authorities. No, there is no discussion because it is competitive and quite frankly, they would not tell us in the same way that we, quite frankly, would not tell them, because it is competitive detail and we are both bidding for similar things.

The CHAIRMAN: Did Tourism WA conduct checks to see whether the RacingThePlanet events were sanctioned by the International Association of Ultrarunners, or the Australian Ultrarunners Association?

Mr Hamilton: No, I did not, I do not believe that they need to be sanctioned by —

The CHAIRMAN: No, but there is one issue. It would be interesting if they were not sanctioned and you would ask those associations why not.

Mr Hamilton: When we look at events, we love events to be sanctioned by the international body; that gives it a —

The CHAIRMAN: Did you know they were not sanctioned or otherwise?

Mr Hamilton: I did not know they were not sanctioned, no.

Mr M.P. MURRAY: To go back a little way to the opening statement from Mr Lowe: he said you actually do not have hands-on. That is my understanding, yet what I am hearing here, there is a lot of hands-on, so I am a little bit confused about what is coming out here. One minute you are saying, is it because after the fire you did not want to go near it, “Let’s put some distance in”? Or are you sort of gilding the lily a little to say, “Yep, we do this, but really we’re not hands-on”. I am confused about where you are coming from.

Mr Lowe: We are actually trying to get that clarity through our submission, and that is why I made the opening statement in terms of differentiating between a sponsorship role and a management role. What I was referring to in terms of the management role is actually operating the event, so effectively taking on the role of the event holder where you are dealing with all the registration of competitors; you are actually organising the event. You are dealing with all the safety and health issues that might be there in terms of the event. What Mr Hamilton is talking about in terms of his feasibility assessment is actually trying to gather information about the event itself, the appeal of the event in terms of events criteria that we look for from Tourism WA; and from a marketing and

events perspective, and also the due diligence, the capability capacity of the organisation RacingThePlanet. So, yes, we are looking at that detail there; what I am trying to differentiate in my opening statement and the submission is that management is different from sponsorship and our role in this particular pointless case was sponsorship.

The CHAIRMAN: But there is a relationship between the two.

Mr Lowe: Yes.

The CHAIRMAN: Sponsors'—particularly government entities—main aim is to advertise the iconic nature of the geographic place. If you sponsor an organisation and it blows up, that is a negative.

Mr Lowe: In terms of our submission, we have identified that we need to exercise a term that we have referred to in the submission as “responsible sponsorship”, and that is recognising, at the very simplest level, that we are acting on behalf of the Crown with taxpayers' dollars.

The CHAIRMAN: Okay, let us go back to the RacingThePlanet 2010 event, which was different—it was 250 kilometres, and I think it was a relay, was it not?

Mr Hamilton: No, it is over five days, 50 kilometres a day.

The CHAIRMAN: Okay, so it is slightly different, but that was an event that happened prior to you signing a contract for the 2011 event, and it gave you a chance to get first-hand, concrete evidence on how RacingThePlanet operates in the Kimberley, in terms of their systems and whatnot. I understand that there were significant problems with that event; that is, that there was dehydration that put pressure on the Kununurra health and emergency facilities and that any way you look at it, you would say that if you were aware of those events, you would have had to look twice at RacingThePlanet's overall capabilities in the Kimberley. Did you know about the dehydration problems that arose out of the 2010 event in the Kimberley?

Mr Hamilton: I was not aware of the dehydration; it does not surprise me, with these particular events. If someone had told me that there were dehydration issues, I think that is part of or that is why people go on these particular events; not to be dehydrated, but —

The CHAIRMAN: Let us say, when you have the Red Bull air race, aeroplane crashes are a risk; we know that, especially next to a city—that is where they are located. These events have dehydration problems in them; we all know that, especially up in the Kimberley at that time of year when it is very humid. That would seem to me to be something that you would flag—how you are going to address—and then, given that it happened in this state, in the same place or vicinity where you are considering sponsoring a race, did not someone on the ground tell you, “Listen, mate, there's some problems here”?

Mr Hamilton: When I first introduced RacingThePlanet to El Questro and the shire, I would have expected any negative comments from the 2010 event—which I was not present at, I was not part of or did not observe—to come back as a sponsor —

The CHAIRMAN: But you were in discussion with them at that time in 2010, considering sponsorship for that event, which you did not provide, but for subsequent events, prior to that 2010 race, and during the 2010 race, and you did not get feedback from anybody that there were problems?

Mr Hamilton: No problems; I actually got feedback. There were positive emails that came back to RacingThePlanet post the 2010 event, so I had no negative issues from the 2010 event.

Mr W.J. JOHNSTON: Previously in your evidence, my understanding is that you have said that the 2010 event was a successful event and your judgement that the 2010 event was successful is based on your active research on that issue?

[11.50 am]

Mr Hamilton: That is right, yes.

Mr W.J. JOHNSTON: And you say that the positive feedback to RacingThePlanet—they had emails—and they told you about that?

Mr Hamilton: Yes.

Mr W.J. JOHNSTON: And you spoke to some people at the Kimberley. What were their jobs? Did you talk to the police? Did you talk to the fire and emergency services?

Mr Hamilton: No, I did not. Prior to the 2011 event, no, I did not.

Mr W.J. JOHNSTON: Did you talk to anybody that was not financially connected to RacingThePlanet or some way connected to RacingThePlanet?

Mr Hamilton: No, I did not.

The CHAIRMAN: During the 2010 event, you were in discussion with RacingThePlanet for sponsorship consideration of that and a subsequent one. Did you say to anybody, “Go up, take a look, watch what’s happening. Let’s have a test run to see if they’re good performers”?

Mr Hamilton: No, we did not. No, we did not observe that. We were at a position where we could not fund the 2010 event and from then the sort of door was almost closed; we had no, in terms of our event funding, until the royalties for regions funding came through, then the opportunity came back to us to say, “Hey! We could go back to RacingThePlanet. They talked about having a 2011 annual event, let’s have some more discussions about that”.

The CHAIRMAN: Does Tourism Western Australia have anybody up in Kununurra?

Mr Lowe: No, we do not. A former employee, Vaughan Davies, was introduced to RacingThePlanet in 2009. But, no, we do not have an employee up there at that time.

Mrs M.H. ROBERTS: Could I just ask a question to clarify your relationship with Beyond Action? Obviously, you were paying them a fee to do a production on this occasion. Do you have an ongoing financial arrangement with Beyond Action?

Mr Hamilton: For a —

Mrs M.H. ROBERTS: For anything over any period of time.

Mr Hamilton: For some of those WA action event series, the Lancelin Ocean Classic and the Anaconda Adventure Race, the Avon Descent, The Doctor, possibly, if we go ahead and fund those particular events and the TV production and distribution is what we were after, yes, we would do the same sort of process with them.

Mrs M.H. ROBERTS: But they do not have any ongoing contract or role?

Mr Hamilton: No, they do not.

Mr Lowe: We have actually provided a copy of the contract for Beyond Action, which deals with that WA action event series, to the committee.

Mrs M.H. ROBERTS: I was really wanting to know whether they had another contract in addition to that.

Mr Hamilton: No, they are a service provider providing the production and distribution of the particular events.

Mr I.C. BLAYNEY: I am the member for Geraldton and one of the other early events that you have sponsored is the clipper race, which has twice been into Geraldton. Just my observation from the work I have done with the organisation as the local member, they are a superb organisation in the way they are organised; they are very safety conscious. But a couple of weeks ago, the yacht *Geraldton* was hit by a 100-foot wave off California. It was interesting for me as the local member

to pick up—the local council was really excited about it because they said, “We’ve got fantastic publicity out of this” —

Mr M.P. MURRAY: Shame they did not kill a couple!

Mr I.C. BLAYNEY: — because it was in newspapers all over the world. That was my point: it might have even been better if a couple of them had got killed. If the whole thing had been sunk, it might be like the *Titanic*; we would still be talking about it 100 years later. But I am just curious, since you have obviously worked at both organisations, and ocean racing of course is also highly dangerous. They have never lost anyone but, that is what I said, they are a superb organisation to bring people off the street and turn them into round-the-world yachtsmen. But I am just curious—you will never get away from the inherent danger in ocean yacht racing but, hopefully, you will continue to sponsor the clipper organisation—about the difference between the two organisations, how you see them and how much you accept that some of these things there is just an inherent risk there and the nature of what people want to do is that it is risky.

Mr Hamilton: I agree. In terms of the relationship, the relationship is exactly the same between the Kimberley Ultramarathon as it is for Clipper Round the World Yacht Race, except we are providing the funding through to the city of Geraldton, but we are a sponsor of that particular event. I think both organisations are very similar in terms of their event experience, in terms of their event delivery, both completely different events. You know, I would say that we were not accused of being involved with the Clipper Round the World Yacht Race when it had the accident overseas, so, again, as a sponsor we are not an event manager; we do not get involved in that sort of side of things with this particular event, same for the Clipper Round the World Yacht Race. We do not for the Avon Descent. We do not for Ironman Western Australia. The only events that we manage—could say manage—are the V8 Supercars, and that is a different scenario. The last one we actually managed in-house was the Telstra World Rally Championships. But in terms of Clipper Ventures, we have had a number of events come through Perth and Fremantle and now up in Geraldton and I find them both similar; good event organisers and no significant issues with them.

Mr W.J. JOHNSTON: This is a very interesting issue because the clipper around the world people clearly have a very good system; they understand where they are going. Do you think that RacingThePlanet really understood what they were doing in the Kimberley?

Mr Lowe: Just on that, Glen identified that RacingThePlanet ran a number of races in what I would suggest is hostile territory and his research indicated that they had a capability to do that. To get into the actual details, I think, is now getting to be a matter for the committee.

Mr W.J. JOHNSTON: No, I asked a very simple question, which was: Mr Hamilton was making a recommendation to the board—and I will get to that in a second. The big risk in the Kimberley was fire; every Australian knows that when you get outside the city, that is the big risk —

The CHAIRMAN: Dehydration.

Mr W.J. JOHNSTON: And dehydration. Dehydration might transfer to the Gobi Desert, the fire did not. The fire was not going to hit you in the Antarctic. But a fire was very likely. It was something that any ordinary person would see as a risk in the Kimberley. So, let us look at the clipper race. The clipper race knows that a 100-foot wave is a big risk. Do you think RacingThePlanet understood what the risk was for the fire?

Mr Lowe: This is a matter that we actually look towards the event managers, the event holders. We are an event sponsor, so we are actually looking for the event managers to —

The CHAIRMAN: No, the point is that as a sponsor you are primarily responsible, but you are giving sponsorship to an event that facilitates it being undertaken in Western Australia and the Kimberley in this case. You are taking some responsibility not only for facilitating the event—that is, it is happening—but, second, the adverse consequences of publicity for Western Australia if that event goes awry. The deputy chair here made a very good point: on the yacht races, they know what

the risks are. The risks vary around the world and there are maybe some inherent risks of going into Geraldton harbour, but they are minor; the risks are out there in the ocean. The real question is: did RacingThePlanet do due diligence in understanding the risks, particularly to running a race in Kununurra? The Gobi Desert, Antarctica would have different risks; they would be significant. Second, different places you go, Gobi Desert and Antarctica, have different, let us say, support services available to them, probably none in those other two places. But there is also another requirement: did they adhere, respond, coordinate with, did they do a proper risk management process in the Kimberley? I assure you the clipper race would have been in contact with the US Coastguard and other coastguards and other relevant organisations around the world, in case something happened to them in the proximity of those groups. We saw the US Coastguard was ready and able to rescue the people before doom hit. So, you are not just handing money over; you have some responsibility both to the state in terms of reflective risk, and also giving an emblem to your sponsored group that they are a bona fide group.

Mr Lowe: The issue is they actually met our requirements as an event sponsor in terms of our contractual requirements. As to fully understanding all the risks that may be associated with particular events, whether it be sailing, whether it be open ocean swimming, whether it be ultra-marathoning the north west, we look towards the event holders, the event managers, identifying and assessing those things. We look at in terms from a risk point of view of having suitable requirements in our contracts to protect the sponsorship position we have, remembering that our sponsorship position has a focus on media and marketing as opposed to the actual operation of the event.

[12 noon]

The CHAIRMAN: That goes to my point. You are looking for positive media exposure for Western Australia. If you sponsor an event that goes awry because it makes an error and does not understand the local conditions, that is a negativity aspect; it is backfiring on you. The clipper race had 100 foot waves, and I think the coastguard responded brilliantly in very adverse conditions. So you cannot blame them. In this case, the evidence to us—if you look at the published evidence—is they did not know the real risk of fires and they did not know how to react if a fire hit them.

Mr Lowe: This particular incident has presented learning issues for Tourism WA—Eventscorp—in how it approaches its events sponsorship, in terms of its events development process, its feasibility assessment and the requirements that we require of event holders. We do acknowledge that.

Mrs M.H. ROBERTS: Mr Chair, if I could be a bit more specific on what you are saying: we have been provided with the copies of emails between RacingThePlanet and Eventscorp from those early stages and early discussions. Anyone, in my view, reading those would come to the conclusion that RacingThePlanet knew very little at that point in time about the conditions, the risks, whatever. Some of the questions that were asked by RacingThePlanet seem to me to be particularly ignorant and they clearly needed to learn a lot. So, what I would ask is: did Eventscorp do anything, given that you could see from those emails and the questions they were asking that they were very ignorant of conditions in the Kimberley, to ensure that RacingThePlanet were then properly equipped to deal with the race in determining the sponsorship? Because, looking from my own reading of them, if I saw those questions there, I would say, “They know nothing about the Kimberley! They don’t know who to contact; how to go about it.” If Eventscorp was contemplating sponsoring them, surely they would have had to have made sure that they had the appropriate expertise and that they had, you know, proper answers to all those questions, because from those early emails they looked spectacularly ill-equipped to have a race in the Kimberley.

Mr Dolphin: Can I just say that the key point you said there was “in those early emails”? In terms of putting a context on the process, a number of the events that we run are longstanding events, or they are locally organised or run in such a way that it has gone through the development curve of how the events are, the local nuances and challenges in that way. I think the specific elements that

you brought to light there relate to the start of that process which we facilitate, as David talked right at the start. We facilitate the introduction process of them going and building the learning and capability and knowledge that we then structure into the end stage of the agreement, which is the contract and the funding milestones, risk management plan, all those elements. So I think there is a relation between when those questions are asked and when the event itself operates. So I think we need to bear that relation in mind. And that would be the same whether it is a swimming event, a water polo event, surfing—there is that time and scale development in the build of knowledge around the event proponent into the local environment. And we are seeing that it applies to other events which are not in adventure-sport space.

Mr Lowe: So in addition, as Gwyn has mentioned, there are those initial introductions. But I go back to my opening statement and there are some submissions which the committee has received which identify the potential of a contact point, whether that be something such as the local emergency management committees or something else. We acknowledge that and we support that general principle because it would help navigate that regulatory environment for event holders coming into the state, whether they are coming in from the eastern seaboard or overseas.

The CHAIRMAN: I have just a specific question, but also when you look at RacingThePlanet—I have not looked at what they do—at the Gobi Desert, the Antarctic and Chile, where they race there are no emergency services. They do not exist, except maybe a mining company in Chile. Okay, so they might be used to operating in, let us say, underdeveloped areas, and all of them have unique issues: one is cold, one is hot, one is desert—whatever. And you are sponsoring them. When you had meetings with RacingThePlanet and local stakeholders in March 2009, when the company was contemplating staging events in the Kimberley, was any consideration given to introducing local emergency service agencies to event organisers, either during that initial meeting or in the lead-up to the 2011 event, given that they come from overseas and operate in isolated places where there are no emergency services? We have those here. Also, they operate in areas that have differences in risks and we have some specific risks here in the Kimberley. So, did you say, “Listen, these are the things you have to do: here are some issues.” You are a sponsor but you have access to, if not inherently, local advice.

Mr Hamilton: The initial introductions are for that purpose: to start the ball rolling on the development of that particular event in that region. My role as a development person is once that is done, I move on to other projects and let them go and I keep—I communicate—with them to see how they are going in terms of their event development up in the Kimberley for the 2010 event. And then the assumption is that they would have done all of that process for the 198 competitors that went to the Kimberley race in 2010. So, as an event development person, when I am looking at 2011, they have already run an event in 2010, no negative issues were raised with me and then as the event holder, they would have communicated with all the relevant stakeholders for that particular event, and then we move forward looking at the 2011 event.

The CHAIRMAN: The takeaway from this is that this event has highlighted a serious flaw in your assessment process. We are talking about the initial assessment process. Clearly, you did not do due diligence adequately. You did not identify the hydration issue in the Gobi Desert in 2010. You did not identify the hydration issues in the Kimberley in 2010. You were not aware of whether or not RacingThePlanet undertook adequate preparations in terms of knowledge and links with events management in the preparation of the 2011 race.

Mr Hamilton: Just as the same process I have done to here, we do for all events. How far do we go with the Ironman Western Australia event, the clipper race, that sort of stuff as a sponsor?

The CHAIRMAN: Excuse me, Ironman race?

Mr Hamilton: Yes, Ironman Western Australia.

The CHAIRMAN: Okay. There are a whole range of local organisations—royal lifesaving and a whole range of others—who you know have close contacts with local health and safety and risk —

Mr Hamilton: Yes.

The CHAIRMAN: You know that—that they exist here, okay. The clipper event is sponsored by yacht clubs around the world, including locally the Cruising Yacht Club of Australia who have these systems in place. We know that. Okay, you know that?

Mr Hamilton: Yes.

The CHAIRMAN: RacingThePlanet was a different order of reputation, not the same thing, particularly it is coming from overseas to here. And I am not arguing that you should not sponsor those new upcoming events, but you have to do more diligence on them.

Mr Dolphin: Can I also put that in the context of what is “adventure sport”? The challenge—and I believe if you have looked at the DVDs you will see a number of the competitor interviews as to what is their challenge for competing in these events and the rise of adventure sports, generally, globally—it is that remoteness, that challenge to oneself and therefore the potential high risk to oneself. So, whilst not attempting to deflect what you are saying in terms of the importance of looking at that, I think we also need to look at the fundamental of what is “adventure sport” as a category. Why is there a growth and why do people want to do it time after time after time?

Mrs M.H. ROBERTS: But the counter to that is that the challenge is the race itself. The challenge is the terrain and the distance that you are running or walking. Being trapped by a fire is not supposed to be one of the challenges of the race. So I do not think that —

Mr Dolphin: It is more the physical challenge that the competitors put themselves through.

Mrs M.H. ROBERTS: Yes, so the fire is an entirely separate thing.

Mr Dolphin: Exactly.

Mrs M.H. ROBERTS: And that is the challenge that needed to be mitigated in events.

[12.10 pm]

Mr W.J. JOHNSTON: Indeed, you sort of had an understanding of that, because you asked them for a risk assessment plan —

Mr Dolphin: As we do with every single event.

Mr W.J. JOHNSTON: — which you only received the day before the event.

Mr Lowe: In terms of the contract requirements for a risk management plan, we have actually changed our requirements for new contracts going forward, and we are looking at —

Mr W.J. JOHNSTON: How did you imagine that you would assess the risk assessment plan if you only received it the day before?

Mr Lowe: The issue that we look at in terms of the risk management—what had been the practice—is as a prompt to the event holders, the event managers, recognising that the events we deal with may vary from community-based events, right through to international events, so it is a prompt. It is also —

Mr W.J. JOHNSTON: So you are saying it was self-regulatory?

Mr Lowe: No, no, it is a contractual requirement that we have it in there, and it is in there as a prompt, as I say, because we deal with local community-based events right through. Some events that the committee has raised are very well organised and they have a national or international infrastructure surrounding them; others do not.

Mr W.J. JOHNSTON: So who is the prompt to?

Mr Lowe: The prompt is to the event holder, the event manager —

Mr W.J. JOHNSTON: So it was self-regulatory?

Mr Lowe: In terms of requiring them to have a risk management plan, which has a milestone payment associated with it, we have identified from this particular incident that we need to have a more comprehensive contractual requirement, that that risk management plan addresses Australian standards, that that risk management plan needs to be independently assessed by a suitably qualified individual, and that risk management plan needs to be referred to the relevant authorities such as the police, FESA and the local shire well in advance of the event, and we are putting that in our contracts moving forward and we are looking at contract variations for those contracts which we have in place.

The CHAIRMAN: Just to clarify: the risk management plan was required as part of your contract with them?

Mr Lowe: Yes.

The CHAIRMAN: You had signed the contract with them when—what date?

Ms A.R. MITCHELL: On 30 August 2011.

The CHAIRMAN: On 30 August 2011. So you signed the contract before you had actually sighted the risk management plan? Just confirm this verbally: Tourism WA received the risk management plan from RacingThePlanet when; right before the race?

Mr Hamilton: Yes. We signed on the thirtieth; they signed on 1 September. I was present up at the event and I got them to sign. The reason it was such a late signing is because of that royalty for regions cabinet approval for this particular funding.

The CHAIRMAN: Yes, but I would have thought, given that they know it, that you would have at least a draft of the risk management plan before you even signed the contract?

Mr Hamilton: In our contracts we put in the requirement to have a risk management plan, a communication plan and operations plans to help elevate events. We deal with a number of event holders who were worried about that, so we are trying to raise the standard of event holders here in Western Australia. But contractually they do not need to provide that to us until they have signed the contract.

The CHAIRMAN: But you did not see it.

Mr Hamilton: Yes, yes.

The CHAIRMAN: After you signed the contract, you did not see it until it was too late to do anything about it if there was a fault in it.

Mr Hamilton: Well for us, again as a sponsor, we do not review the risk management plan; we are comfortable that they had a 150-page risk management plan.

The CHAIRMAN: But, you see, that is —

Mr W.J. JOHNSTON: That is contrary to the evidence of Mr Lowe. I asked very specifically—I do not care what the answer is, I am just happy to have the answer. I asked Mr Lowe: did he see this as being self-regulatory? Does the sponsor, Tourism WA, say, “It’s up to you to manage the risk management plan”, or do you say, “We take responsibility for the risk management plan?” I do not care what the answer is, I just want one.

Mr Lowe: Excuse me, I was not trying to say we did or did not; I was not trying to be contradictory there. The issue is that I was looking at a contractual requirement to receive the risk management plan. We do not have the expertise in-house to review risk management plans; that has been identified in our submission. What Glenn saw the day before appeared to him to be a comprehensive plan. We have identified it as a learning issue for this organisation: that we need to have risk management plans independently assessed by a suitably qualified person.

The CHAIRMAN: Would you have done the same thing for the Red Bull Air Race, into which you put a lot of money and which is obviously a lot riskier? Would you have allowed the Red Bull Air Race to go ahead—you were spending a lot of money—if you had seen the risk management plan the day before?

Mr Hamilton: The Red Bull Air Race is a similar scenario in terms of us as a sponsor of the event. We provide event funding, we also provide a clean venue for them, and that is approvals for the local area. There is a stakeholder group that comes together that is run by the Red Bull Air Race, not by us.

The CHAIRMAN: Are you involved in it?

Mr Hamilton: We have a seat on that as a government representative, yes.

The CHAIRMAN: So it is different?

Mr Hamilton: They are events of different scale, too, and if we are going to be involved in all the events we fund on that particular scale, I am not sure how we would manage that.

The CHAIRMAN: Do you have a seat on the board of, let us say, the Rottnest swim?

Mr Hamilton: Sorry.

The CHAIRMAN: The Rottnest swim.

Mr Hamilton: Yes, that is right.

The CHAIRMAN: Do you have an observer role in the planning for that?

Mr Hamilton: No, not at all. We are a sponsor of that particular event, exactly the same as the Kimberley Ultramarathon.

The CHAIRMAN: That has been going for many years so it might be a different event.

Mr Hamilton: We have only funded the Rottnest swim one year in terms of providing some event funding, but the key thing with that was the production of the TV distribution. In the contract, we would require the provision of those particular plans and we would sight the plans. We would not have reviewed them; it is up to the event holder to do that.

The CHAIRMAN: I think the Deputy Chair is right. Basically, you require, you say, a risk management plan without specifying what is there. I looked at your contract; it says “risk management plan”, and there is no statement of whether you have actually seen it or monitored it or commented on it. So you just require a risk management plan with no criteria for what it is or whether it is adequate or not or otherwise. You basically say there is a process you have to do called a risk management plan; tick that you have done it, and that is it.

Mr Lowe: We have acknowledged that in our submission.

Ms A.R. MITCHELL: Mr Lowe, I think when you talked originally about sponsorship and responsible sponsorship and you have gone from one extreme to the other, I actually think there is middle ground there, and I will say the same here. With assessment of risk management plans, Eventscorp is the business of events; I do not know that you would have to go out and get a full risk assessment done all the time because you know there are certain things that should be standing out as headings and things within a risk management plan for events. The principles are comparable; it is not like they have to be brand-new all the time. So I am not sure why you are saying now that you have to get everything fully assessed. But if it has not been sighted, I am concerned about the board of Tourism WA, what is their legal position in all this?

Mr Lowe: Going back to the risk management plan, what we have actually looked to do from a contractual point of view is add a more comprehensive requirement in there and refer directly to a requirement that it is compliant with Australian standards. But I do go back to what I said earlier, which is that we do not have that expertise in-house to specifically assess risk management plans.

Mr Dolphin: That is something we have identified for the future.

The CHAIRMAN: The Parliament does not either, but we have access to people who do.

Mr Lowe: That is the process that we have looked to build into the contract, and adding to that is to ensure that that risk management plan, looked at by an independent expert, is referred to relevant authorities to ensure that it is a more comprehensive requirement on event holders.

Mrs M.H. ROBERTS: I just want to get clarification on a couple of dates. Could I get the date that the risk management plan actually was provided to Eventscorp? The other date I am interested in is on what date did cabinet give approval for the royalties for regions funding?

Mr Hamilton: On 22 August 2011 the cabinet decision was approved for the royalties for region funding.

The CHAIRMAN: That related to the program generally, not to the specific event?

Mr Hamilton: No, this particular event. May 2011 was the allocation of \$10 million per year. So, 22 August was the cabinet approval for the funding for the Kimberley Ultramarathon.

Mrs M.H. ROBERTS: Can I just clarify, too, that is the funding for Beyond Action and RacingThePlanet?

Mr Hamilton: Yes, it is.

Mrs M.H. ROBERTS: So those are the two separate amounts?

Mr Hamilton: Yes, it was; two separate contracts. On 1 September the contract was executed by RacingThePlanet, and on 1 September I sighted the risk management plan. Then, because it was such a large document, it was provided to me via email post-event, but it was sighted on 1 September.

[12.20 pm]

The CHAIRMAN: What do you mean sighted?

Mr Hamilton: My role up there as a contract manager or as an observer was really just seeing how the event was running on in terms of the competitor briefings, the competitor notes, the medical briefings and all that sort of side things. There were no red flags from that and part of that process was working with RacingThePlanet and saying, “Hey, as part of the contract, can you show me your risk management plan?” They provided it to me. I had a few minutes to mull over it; the event was happening the day after.

The CHAIRMAN: Were you not a bit worried as a sponsor of a program, a risky event—we all agree these are risky—and this is new to Western Australia as far as sponsorship for it goes, that they did not show it to you so you could actually read the bloody thing?

Mr Hamilton: The requirement for them is to —

The CHAIRMAN: No; I know they met the official requirement, but in these types of events that are risky, you have to go beyond the ticking of the official boxes—people die. Were you not at all worried that they had not done enough to get you the document in time for you to actually look at it?

Mr Hamilton: I was comfortable when I reviewed the document —

The CHAIRMAN: No; you told me that you just did not get the copy of the document in an email until the event happened.

Mr Hamilton: That is right, yes.

The CHAIRMAN: You sighted it; you did not read it. When you got it on—the first was it?—did you go through it?

Mr Hamilton: I had a quick review of it, but the event procedure is only —

The CHAIRMAN: How many pages is it?

Mr Hamilton: About 150.

The CHAIRMAN: Did you go through it with them?

Mr Hamilton: No, I did not. They were busy registering competitors —

The CHAIRMAN: Did you discuss it with them?

Mr Hamilton: No, I did not.

The CHAIRMAN: Did you find any issues of concern; that is, had they contacted FESA?

Mr Hamilton: No, I did not.

The CHAIRMAN: So you just essentially ticked it off, because you did not have much time; you had other things to do that day I presume. So they presented you a contractually required central document to these things because this is a risky business, and you got it the day before and you were busy, so you did not actually have time to act on that—that is, communicate with them, if you had any issues—first, read it, assess it and communicate and make any changes.

Mr Hamilton: I am not a risk assessment —

The CHAIRMAN: No; you are a sponsor; there is a reason why you have in your contract requirement for risk-management strategy and that you sight it. Sighting it the day before, actually almost at the time of the race, means you cannot act on it. So why have something that you cannot act on?

Mr Hamilton: You are correct, I sighted it the day before and that is what I thought my role was as a contract manager on that particular event.

Mr Dolphin: Can I just add, as you will appreciate because of the timescale after our funding release, this is an unusual event in terms of the timescale; it is extremely compressed.

The CHAIRMAN: I would state that the decision by cabinet to fund something is one thing, but the preparation that would go into a cabinet submission, I would think, especially in events like this that are risky, and we know they are exposed to risks; they have had risks in the processes before and you were not aware of what they did, you would have had this risk-management strategy and you would sighted it—if you cannot understand it, someone else will—prior to the cabinet submission.

Mr Lowe: In the general context of Glenn's dealings with RacingThePlanet and the prior experience in 2010, the event development director had a sense of comfort with that event holder; that event manager, RacingThePlanet. We have identified that there are learnings from that particular exercise.

The CHAIRMAN: No, not learnings; there was a serious error with the assessment of competence in the Kimberley of that group.

Ms A.R. MITCHELL: Can I just clarify? I have asked previously, Mr Lowe, about the board's responsibilities in this determination as well, and I ask you comment on that please.

Mr Lowe: The board is part of the approval mechanism for this particular event as to entering into a sponsorship agreement and the funding amounts, albeit in this particular process, they are not a final approval body for that. Their role is to review if they are presented with a board paper from the executive, and that contains the feasibility assessments and a recommendation, and we have provided a copy of that material to the committee.

Mr W.J. JOHNSTON: Can I ask on that? You have, and I am interested in this, because the submission to the board referred to the WA action event series, but this is not actually part of the WA action event series—that is correct, is it not?

Mr Lowe: Yes, and we actually sought a variation to the contract we have with Beyond Action to ensure that they were able to provide media production facilities on an additional event, in this case the Kimberley Ultramarathon.

Mr W.J. JOHNSTON: So you had a contractual relationship with Beyond Action at that time, although as you have answered to Mrs Roberts —

Mr Lowe: We actually had contractual relationships do with the WA action series, which had five events in it, and that as we were looking to move towards the Kimberley Ultramarathon, we got approval for that and we actually extended and varied the contract with Beyond Action to pick up those six events.

Mr W.J. JOHNSTON: What was the motivation for the executive to recommend to the board to move to a sixth event when with the submission that went to the board on the WA action event series the idea was to focus on five events? What changed the executive's mind to abandon the original strategy and move to this new strategy?

Mr Hamilton: They were the five events we targeted at the 13-part series that Beyond Action want to produce. In terms of all of Australia, we managed to get five events in that particular area—the first series. The series was very successful; it was distributed nationally and internationally. They want to expand it to a 26-part program, so there is opportunity to put more content in that.

Mr W.J. JOHNSTON: So it was being driven by the TV production company?

Mr Hamilton: In terms of Beyond Action saying the multisport series is very successful—it got good feedback from overseas—yes, they wanted to deliver more events. This was a way for us to get that production and distribution through Beyond Action for this particular event.

Mr Lowe: Glenn mentioned earlier that the particular attraction is that we have a number of events in the south west; this one being up in the Kimberley provided something a little bit unique in terms of an opportunity.

Mr W.J. JOHNSTON: This is my final question on this topic; the committee will be happy. Why was the question about the fact that those five events were in the south west of the state not asked? When the executive recommend to the board to adopt this WA action event series, which involved five events—none in the Kimberley, none in the Pilbara—why was the issue of the geographic location of those five events not an issue at that time?

Mr Hamilton: It was, but it is not as if there is that events supermarket; there are 20 events that we could choose from. If you think of top WA events we would like to develop and enhance, they were the five events we targeted. The Anaconda Adventure Race is the world's biggest adventure race; The Doctor is unique in that it goes from Rottneest to Scarborough; Lancelin Ocean Classic is obviously synonymous with windsurfing; there is the Avon Descent. So they were the five events we targeted.

The CHAIRMAN: Were any of the events that Beyond Action provided to you in part of that series, in the Kimberley?

Mr Hamilton: No.

Mr Lowe: The calendar of events for the organisation is something that is constantly evolving in terms of what we are able to develop, what is presented to us, what comes on the market place, the bidding process and funds available to the agency—so it is a constantly evolving picture.

The CHAIRMAN: I would like to go to some technical ones, some other line of questioning, so why do we not finish?

Mrs M.H. ROBERTS: I just want to have a last question on this line. I am going back to the risk-management plan not being sighted until 1 September and the contract not being signed until that late stage either. My understanding is that event management staff started arriving here on

27 August and they came in via Perth and Kununurra, why was the opportunity not taken then to finalise the contract and get the risk-management plan?

Mr Hamilton: I was not aware that they came through Perth. Obviously contract negotiations were still happening and our contract was signed on 30 August by Tourism WA.

Mrs M.H. ROBERTS: And cabinet had approved it on 22 August?

Mr Hamilton: That is right; yes.

Mrs M.H. ROBERTS: I am not sure we have a copy of the cabinet submission as part of the papers that have been provided to us have we? Can we request a copy of that?

[12.30 pm]

Mr I.C. BLAYNEY: I have a very quick question—just an observation. Local governments set their own criteria for any event, do they? I know that my local council puts people through this amazing 30-page document that seems to cover every scenario you could imagine, whereas the Shire of Wyndham–East Kimberley does not seem to have any requirements for something like this. They had to get a permit to use a park or something, but that was about it; there was nothing else. I am confirming that there is no uniform policy across all local governments in WA. Do they just decide that themselves?

Mr Hamilton: I am unsure of what the policy is. As I said earlier, when I first introduced RacingThePlanet to them, before the 2010 event, I introduced them to the shire president and then they developed a relationship in terms of what was required to secure the 2010 event. But I am unaware of what the policy is for that particular local government.

The CHAIRMAN: Can I change the line of questioning somewhat? Clause 3 of the sponsorship agreement says that the event holder must provide the necessary number of competent, qualified and experienced staff and suitable resources for the purpose of organising and promoting an event. That is one of the requirements in addition to the risk management that we talked about. How does Tourism WA determine whether such a requirement has been met?

Mr Hamilton: It is a requirement. Obviously, in my experience up there and observing, I could see what was happening from the briefing right through to how many medical staff were there. There were 40 competitors in 2011, and I think they had 14 medical staff and volunteers to assist with that particular event. Again, it is a prompt to them to make sure that they have delivered that. We do not provide any checks on it. We do not review that. Certainly no red flags were raised with me in terms of —

The CHAIRMAN: But having doctors on the ground is different from getting people who are dehydrated or burnt to the hospital. There were no ambulances in the area, obviously, that were effective and, as it turns out, there were no helicopters in the vicinity to help them. You varied your action plan to attract people to the Kimberley, which is great, but the Kimberley raises different issues than the south west. These are people who are coming in here from abroad; they are not locals who have local knowledge. You were there at the time. Did you ask them, “What about an ambulance service?”

Mr Hamilton: I have no input in the running of any event.

The CHAIRMAN: No, no, no. You have to cite the necessary number of competent, qualified experienced staff and suitable resources for the purpose of organising and promoting the event. I would think that on a risky event like this, was the ambulance or the Royal Flying Doctor Service or somebody comparable contacted, and did you have their number?

Mr Hamilton: I was provided with the emergency management plan. When I had a look at it on 1 September it seemed adequate to me in terms of —

The CHAIRMAN: Did it say anything about evacuation services being on standby or how they would be notified or contacted?

Mr Hamilton: They had a chart that indicated the different checkpoints and what was the evacuation method, and then they had a number of scenarios or situations in terms of the risk assessment and risk management plan.

Mr W.J. JOHNSTON: Can I clarify this question about “you couldn’t do anything because the contract hadn’t been signed”? Do you see the contract as being the start of your responsibility or the culmination of your responsibility? You have described how you had been negotiating for 18 months with this organisation and clearly you have commented a number of times about the worldwide distribution of the TV production. Did you give any thought to asking for any of these contractual obligations prior to the signing of the agreement?

Mr Hamilton: No, I did not.

Mr W.J. JOHNSTON: But you knew about the production side, so I am a bit confused because if you knew about the TV obligations, which were in a contract, but you did not know about any other obligations that were in the same contract, I am confused as to how that could happen, given that until 1 September they were not obliged to talk to you about any of the details. How was it that you knew about some of the details but not others?

Mr Hamilton: I am unsure. You indicated about the television —

Mr W.J. JOHNSTON: You said that part of this agreement is about how much exposure we are going to get Western Australia from around the world.

Mr Hamilton: Yes.

Mr W.J. JOHNSTON: And you have answered on a number of occasions—in fact, you have volunteered on a number of occasions—information relating to what you expected to get in terms of TV outcomes. How come you knew about that stuff but you did not know anything about any of the other matters that were covered by the contract? I am just confused.

Mr Hamilton: The TV production and distribution—we have obviously had experience in dealing with Beyond Action and knowing where the production and distribution was going to go. I was aware of —

Mr W.J. JOHNSTON: But you did not even know if the event would take place until 1 September when they signed the contract.

Mr Hamilton: We knew that once the cabinet approval had been given —

Mr W.J. JOHNSTON: But what would have happened if they had refused to sign the agreement?

Mr Lowe: I would suggest that funding is a critical point for us, in terms of events, from our organisation’s perspective of whether or not we are involved. The signing of the contract is a formalising of relationships, but, yes, there should be ongoing dialogue up to and after the signing of the contract. In this particular case there was a compressed time frame involved. Our process within the agency is, effectively, we have a development team looking at the development of events and as that gets formalised to the extent of signing contracts, it is then handed over to a contract management team. That was all compressed. The funding of whether or not we were involved was late in the piece, and the contract followed suit. As Glen mentioned, we had existing relationships with Beyond Action. We had a good understanding of what their role would be and how they would have interacted.

The CHAIRMAN: You always have compressed time lines on contracts. When that happens, the general rule is to make sure you do pre-contract preparation so that everything is ready to roll when the contract is signed. One of the issues is that a risk management plan is not the thing that you do at the last minute; it is actually one of the first things you should do—even deciding whether you

are going to run the event at that place—and that should have been done months before, wouldn't you say? Months before. You should have been able to sign this long before you even made a submission to the board, let alone to cabinet, and then signed the contract.

Mr Dolphin: I understand what you are saying, but can we please go back to the core of what we are enabled to do in terms of our relationship with sponsorship? This was a sponsorship agreement, not an event management agreement.

The CHAIRMAN: I understand that relationship very well. I am not asking—we are not here questioning your management of this event; we are saying that you have a standard policy of having a risk management plan—great—but it has to be more than a tick-off. You are saying that you never sighted it until the day before the race when you really could not do anything, and I am saying that is not an adequate excuse. Even though the timing was compressed, they could have and should have done a risk management plan at the front end of the proposal, not at the back end.

Mr W.J. JOHNSTON: Why was there not a risk management plan in 2009?

Mr Dolphin: We were not involved in 2009.

Mr W.J. JOHNSTON: But you were. You said you were negotiating.

Mr Dolphin: Not in 2009.

The CHAIRMAN: You first discussed with them in January 2009 about the 2010 event. You chose not to sponsor. After that, in March, April or May 2010 the race took place. In 2010 you entered into discussions about altering the sponsorship for this ultra-marathon. They had run a race there and knew the conditions. They should have been able, right up-front, to prepare a risk management strategy. Indeed, a risk management strategy should be at the core of the proposal for these types of high-risk events. I know it is with ocean racing and I assume it is with the Red Bull race. If that were the case, the compressed funding and contract signing would not be relevant.

Mr Hamilton: The current scenario for all events is that we do not receive risk management plans, marketing plans or operations plans until we have signed the contract.

The CHAIRMAN: That is a flaw, don't you think? You guys are marketers. That is part of the problem, I would say, in the sense that you do not go beyond that and are not recognising the marketing risk of sponsoring these programs. Up to the time of the contract, you were in deep discussions about where the markets are. You knew Beyond Action; you have all these contracts. They are a primary contractor. You know what they are going to do. They will sit across the table and say, "Here's what we're going to do". One of the weaknesses of this is you are not going beyond the marketing to look at the bona fides of the performance of these people—your very sponsors. Some of them are very good. Some of them are new ones in new areas like the Kimberley; they are new people to this area. You are not seeing if they are an extra risk for sponsorship. You are going through the motions on risk management and ability to perform, but you are going into the detail in the marketing.

Mr Lowe: The agency is looking at improvements in its events development, its feasibility assessments and its contract management processes. This particular event has highlighted other aspects that we need to improve upon, and those points were noted. The amount of proactivity from the agency and the amount of disclosure from event holders is something that you mentioned earlier that we need to look at.

The CHAIRMAN: I just say that the real problem comes back to quality control assessment in the early phases of seeing who you are going to sponsor. I would not want to load up round-the-world races and other ones with too much ruckus.

Mr Lowe: Part of the internal discussions that are happening at the moment is that multidimensional event industry that we are dealing with, because we are talking with local community events within a town, right through to international events. Some are one-offs; some are

regular. Some have governing bodies; some do not. Some are commercially viable, and some are not and need sponsorship and support from the government because it does have a benefit for Western Australia. Some have multiple sponsors involved; others have potentially us as a principal sponsor. It is trying to come up with an appropriate framework that addresses that and responds to the issues the committee is raising. As I have mentioned, we have identified some of those issues to address, and this event has certainly highlighted other areas we need to address.

Mrs M.H. ROBERTS: Just noting that the cabinet approval was given on 22 August, I then note that three ministers put out a press release on 26 August committing to the event and so forth. I am wondering whether there is some explanation as to why they would announce an event for which a contract had not been signed, and, two, why would their media statement on 26 August say that there were over 100 people participating from 30 different countries, and then in a few days' time there would be only 41 competitors, including Mary Gadam's herself?

Mr Lowe: In terms of public announcements of events, essentially when there is funding approval, there is to be agreement with event holders to make public announcements that we are entering into relationships, and that would be the case here, and then that is formalised with contracts. In terms of the numbers, I am afraid I cannot comment on that particular aspect.

Mr Hamilton: I am unsure about why the 100 was in the media release. I think in terms of the feasibility, maybe we were thinking that maybe in the feasibility there was a discussion about the numbers that they were expecting. I think RacingThePlanet talked about this as a trial event for the Kimberley 100. It was only the second 100-kilometre ultra-marathon, but I know in time it would have gathered momentum. We had 198 in 2010. Again, our main focus is around the television side of things for this particular event.

Mrs M.H. ROBERTS: They were obviously short of competitors, because there is evidence that they offered free entry to some runners who had been in their previous events, so they were clearly trying to build up the numbers because they did not have sufficient numbers. I suppose what I would put to you is that on 22 August when cabinet considered it, RacingThePlanet would have known that they had nowhere near 100 competitors and in fact appeared to be scratching around to come up with 40.

Mr Lowe: Well, I am unable to comment on that.

Mr W.J. JOHNSTON: Can I go a bit further on this topic? In fact, on 1 July when the executive made a submission, put up the board paper for an out-of-session decision by the board of Tourism WA, the number 100 competitors was in that. Is it possible or is it right that the number 100 that appeared in in the ministerial press release was actually information provided by Tourism WA to the ministers?

Mr Lowe: As part of the feasibility assessment process and looking at an estimated return on investment from that particular event, yes.

Mr W.J. JOHNSTON: So what date did Tourism WA know that there was not 100 competitors?

Mr Hamilton: I am unsure in terms of —

Mr W.J. JOHNSTON: Did you ask?

Mr Hamilton: Obviously, for me, in terms of getting a list of competitors, I got that when I was up there on the first—and obviously from that, you can tell there were 40-odd competitors.

The CHAIRMAN: Was the contract signed with the understanding that there would be 100?

Mr Lowe: The contract signed has a milestone payment of at least 40.

Mr W.J. JOHNSTON: This is an issue because in the board submission, the executive of Tourism WA does not make that comment. In fact, it has a detailed financial analysis based on the number of overseas people who would come as competitors. Part of the justification to the board from the

executive is that we are going to get this return because of all the people coming to be competitors. How does that change the financial governance of the —

Mrs M.H. ROBERTS: That is why I mentioned the 30 countries.

Mr W.J. JOHNSTON: How did that change the —

Mr Lowe: Feasibility assessment does identify financials in there associated with entrance and accompanying personnel and the like.

Mr W.J. JOHNSTON: Yes, but it specifically refers to 100 competitors.

Mr Lowe: The numbers in there, though, and the return on investment is not the primary issue to focus on. The primary focus in the feasibility assessment was on the media value that we might get. If you look at the feasibility assessment, it looks in the order of something like about \$400 000 on the basis of visitor nights from those competitors, estimating 100. But if you look at the media potential that we were looking at, we were looking at \$2 million to \$3 million. The focus was on the media production aspect of this particular event.

The CHAIRMAN: You had a requirement, milestones, related to payments in your contract. They got a \$20 000 payment if they had 40 or more competitors in the event. It turns out that they had 41, including the organiser, who was one of the runners.

Mrs M.H. ROBERTS: And a number of free places.

The CHAIRMAN: And a number of free places. So, they obviously were spending their time before the race scratching around to get people to run—I admit it must be difficult, but nonetheless—to meet the \$20 000 payment you put in.

Mr Lowe: The make-up of the milestones within the event contract is fairly generic across our event contracts, not necessarily in terms of number of competitors, but looking at aspects of, as Glenn has mentioned before, management plans, communication plans, risk management plans, the number of potentially international or national competitors and the like. That general table of milestone payments is there. RacingThePlanet in this particular case had already scheduled and advertised that particular event to their prospective audience of competitors long before we were putting any milestones or financials on the table.

The CHAIRMAN: In the run up to the race, if you are going to sponsor them, did you have, Mr Hamilton, an ongoing conversation with them asking them how many people are going to go, any issues, people arriving on time—how were things going? Because you would be worried about deliverability, if nothing else. Did you ask them how many people were showing up; are you going to meet your 40-people milestone?

Mr Hamilton The main focus for me before the event was getting the cabinet approval through and then negotiating the contract. That is the focus for me to make sure that is done prior to the event.

The CHAIRMAN: Yes, but it is no good getting cabinet approval on the contract and money if the thing is falling over in terms of number of people and other issues.

Mr Hamilton: The information that I was getting back from RacingThePlanet beforehand in terms of the information they provided me was what they were doing at the competitors briefing, the medical briefing, the meeting instructions for all those who are going there—all of that information was positive to me. I do not know whether I asked them specifically how many numbers they had, but they were well aware of what was in the contract.

Mr W.J. JOHNSTON: How could they have been aware of what was in the contract when the contract had not been signed? This is the thing. You cannot have it both ways in this argument. Either there was an understanding between you and the organisation prior to the signing of the agreement, or there was not. If there was an understanding, then you should have acted on it. If

there was not an understanding and it was only when the contract was signed, the state probably would have been better if you had not given the thing, because it was going to happen anyway.

Mr Hamilton: Yes, the event was going to happen.

Mr W.J. JOHNSTON: Yes, so you may as well save the money for the taxpayer and not give them anything.

Mr Hamilton: But the reason that we wanted to be involved was because we wanted to dovetail in the television production and distribution. That was not going to happen.

Mr W.J. JOHNSTON: But you had already signed that contract, had you not?

Mr Hamilton: No.

[12.50 pm]

Mr W.J. JOHNSTON: So when did you sign with Beyond?

Mr Hamilton: It looks like 9 August 2011.

Mr W.J. JOHNSTON: Yes. So it was before?

Mr Hamilton: Yes.

Mr Lowe: The issue is we wanted the TV crew all over this particular event. That was our focus. We also were looking to secure the event for the longer term. So the bigger financial contract was with Beyond Action to be that TV production aspect. The sponsorship contract with RacingThePlanet was to try and secure that longer-term aspect by having a couple of options.

Mr W.J. JOHNSTON: What would have happened to the Beyond contract if the event fell over?

Mr Lowe: Beyond Action was a variation to an existing contract to deal with that WA Action series.

The CHAIRMAN: What would have happened if you had said, “I am not happy with the risk management strategy; tough; you do not have enough people anyway; the race is off”? Would you have had to pay Beyond Action?

Mr Hamilton: I would not have gone through and reviewed the risk management and said the race is off. Beyond Action were there, present, ready to go.

Mr Lowe: In terms of the provisions for Beyond Action, there are specific contractual terms in there that deal with cancellation of events. I cannot specifically answer that question for you. I do have the contract here but I would need to go through the contract. The contract with Beyond Action has been provided to the committee.

The CHAIRMAN: We are running out of time and I need to get through a couple of questions. As per clause 14 of the sponsorship agreement, insurances, did Tourism Western Australia request and receive from the event holder these issues: a copy of the public liability policy taken out by the event holder, confirmation that workers’ compensation and employers’ liability cover has been taken out, and confirmation that personal accident insurance was in place for the persons engaged as volunteers; and, if so, when were these documents received, and was the adequacy of these policies assessed by Tourism WA?

Mr Lowe: We did not request them prior to the event, and that is a term within the contract that needs variation for the future.

The CHAIRMAN: What do you mean by that?

Mr Lowe: That in terms of us reviewing our standard template for event contracts moving forward, we actually have a requirement in the contract at the moment that says that we can get the insurance policies on request, rather than having one that says we need to have a copy of the policies prior to the event actually occurring.

The CHAIRMAN: Did you go and tick off to these insurances?

Mr Lowe: Prior to the event, no.

Mrs M.H. ROBERTS: That is for all of them—none of them were checked prior to the event?

Mr Lowe: Did we receive and assess those insurance policies prior to the event? No.

The CHAIRMAN: Did you find out whether they had them or not?

Mr Lowe: We subsequently made inquiries —

The CHAIRMAN: No. Before the event, besides sighting them, did you know whether they had them or not?

Mr Hamilton: RacingThePlanet informed me that they had them. I saw the public liability. I did not see the other two insurances. So we requested those afterwards.

The CHAIRMAN: You knew those other two were required, but you did not sight them, and more importantly in effect RacingThePlanet told you they did not have them?

Mr Hamilton: No, they did not say they did not have them. I just did not sight them before. I sighted the public liability. I did not sight the other two.

The CHAIRMAN: Was there not something figuratively that you should have ticked off on? Here are these licence requirements, like the risk management, and you ticked off on that, you saw it was there; and the public liability was there, you just told me. On the other two, did you forget to tick off on them? Did you ask about them?

Mr Hamilton: I did ask about them, and they said they were there, but I did not sight them.

The CHAIRMAN: And they turned out not to be there?

Mr Hamilton: We were provided with them afterwards.

The CHAIRMAN: No. On the day, before the race, were they there or not?

Mr Hamilton: I did not sight them, no.

The CHAIRMAN: No. Were they there or not? Did RacingThePlanet have these insurances before the event? Were they in place?

Mr Hamilton: I understand RacingThePlanet did, yes.

Mrs M.H. ROBERTS: When did you sight the public liability policy?

Mr Hamilton: I am not sure of the date. I would have to have a look.

Mr W.J. JOHNSTON: Was that up in the Kimberley or prior to it?

Mr Hamilton: No, it was afterwards.

Mrs M.H. ROBERTS: So none of it was sighted prior to the event?

Mr Hamilton: The public liability was, yes.

Mrs M.H. ROBERTS: So when was that?

Mr Hamilton: It was on 1 September.

The CHAIRMAN: That is when you sighted the risk management strategy?

Mr Hamilton: Yes.

The CHAIRMAN: Did they have those in place? Were they actually adequately in place at the time of the race—not whether you sighted them or not, but were they in place? Were these issues that I have read out—public liability, workers' compensation, employers' liability and personal accident insurance for persons engaged as volunteers—actually in place at the time of the race?

Mr Hamilton: I believe they were, yes.

The CHAIRMAN: You believe?

Mr Hamilton: Well, the public liability was in there, and they provided us with the other two insurances that are required there.

The CHAIRMAN: So you sighted them after the race, and they were adequate?

Mr Hamilton: Yes.

The CHAIRMAN: Just another issue. Mr Hamilton, you were present on race day, and according to a witness statement, you were at checkpoint 2 between approximately 10.15 am and 12.45 pm.

Mr Hamilton: Yes.

The CHAIRMAN: Several other witnesses' statements confirm that John Storey's message warning of the fire's path towards checkpoint 2 was relayed to the RacingThePlanet staff during this time. Did you have any knowledge of this message being passed and the subsequent response of the event organiser?

Mr Hamilton: No, I did not. I was not there when that message was passed on. My role there was facilitating a photographer and taking a camera crew into the gorge between checkpoint 2 and checkpoint 3.

The CHAIRMAN: You were in the helicopter at the time?

Mr Hamilton: No.

Mr Hamilton: You were in your own vehicle?

Mr Hamilton: Yes.

The CHAIRMAN: We have a lot of other questions but we have run out of time. I will do a closing statement. The executive will be in touch with you to get questions about other issues. One other issue is that you recommended Mr Storey, who became their adviser.

Mr Lowe: Can I just clarify that? We did not recommend. We were asked for any local people whom we could put RacingThePlanet in touch with. We made inquiries as to who might be some local people that RacingThePlanet could make contact with and we provided a couple of names, one being Jay Clifford and another being John Storey.

The CHAIRMAN: If I were an overseas firm coming in here and I asked a government body and also a sponsor for some names of people we could talk to to address the local conditions, I would take that as a recommendation. Is that not reasonable? Do you have any comments?

Mr Lowe: I take your point.

The CHAIRMAN: Did you think Mr Storey's contribution was up to scratch?

Mr Lowe: I believe that is an issue for the inquiry to look into.

The CHAIRMAN: Would you recommend him again?

Mr Lowe: I would wait for the outcome of the inquiry before I would make a comment on that.

The CHAIRMAN: Thank you for your evidence before the committee. There are a number of questions that we have not been able to ask you today. Would you be willing to answer a series of further written questions that the committee will provide when it sends you a copy of today's transcript?

Mr Lowe: Yes.

The CHAIRMAN: A transcript of this hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within 10 working days of the date of the covering letter. If the transcript is not returned within this period it will be deemed to be correct. New material cannot be introduced via these corrections and the sense of your evidence cannot be

altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you again. I ask those in the public seats to please adjourn to the lobby while the committee deliberates in private. The secretary will advise you when we are ready to proceed again—1.30 pm is the planned time.

Hearing concluded at 12.58 pm
