

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2013–14 AGENCY ANNUAL REPORT HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
TUESDAY, 3 FEBRUARY 2015**

DEPARTMENT OF SPORT AND RECREATION

Members

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

Hearing commenced at 2.12 pm

Mr RON ALEXANDER

Director General, examined:

Mr ALEXANDER WATT

Director, Business Management, examined:

Mr ROBBIE DIDCOE

Director, Facilities and Camps, examined:

Mr RONNIE HURST

Project Director, New Perth Stadium, examined:

Mr ARRON MINCHIN

Director, Industry Development and Participation, examined:

The CHAIR: On behalf of the Legislative Council's estimates and financial operations committee, I would like to welcome you to today's hearing. Firstly, can the witnesses confirm they have read, understood and signed a document headed "Information for Witnesses"?

The Witnesses: Yes.

The CHAIR: Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private, either of its own motion or at a witness's request. If, for some reason, you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting Parliament to review agency outcomes on behalf of the people of Western Australia. The committee values your assistance with this.

This is a hearing into the annual report of the department. I will ask if anyone wishes to make an opening statement; if not, I will move to members' questions.

Mr Alexander: No.

The CHAIR: Members, do you have any questions?

Hon ALANNA CLOHESY: Several.

I noticed that in 2013 the department had an operating surplus of \$7.4 million, which had moved from a deficit of \$6.4 million in 2012–13. Obviously, there are some congratulations there. What happened to the operating surplus; how was that disbursed?

Mr Watt: It was not actually disbursed as such. It is a book figure. Some of that is reflected in the balance sheet, through various lines in the balance sheet. Quite a large amount of that was cash that was held in cash at bank in restricted cash.

Hon ALANNA CLOHESY: The Treasurer has a guideline on levels of cash to be held, is that right?

Mr Watt: Yes, there are Treasury arrangements for the amount of cash. We hold cash in relation to a lot of capital projects. I can give you a rundown, if you like, for the cash for that year.

Hon ALANNA CLOHESY: Yes.

Mr Watt: The cash held was carried over. There are carryovers of \$22 million, near enough. The carryovers related to the Perth netball centre, which was about \$5.6 million, and the Perth major stadium there was a minor adjustment of \$110 000. If I give you the more material items: the WAIS high performance centre has \$6.4 million as major items and then the Perth stadium sports precinct is \$3.9 million.

Hon ALANNA CLOHESY: That is \$18 —

Mr Watt: The total carryover was \$23 million and there were other smaller items in grants and so on.

Hon ALANNA CLOHESY: I wonder if it is possible to have that table that you are referring to either tabled or provided as supplementary information.

Mr Watt: Supplementary information, to put it in format. That is a little bit easier to read than what I have here.

Hon ALANNA CLOHESY: I am happy with that, if we could take that as supplementary.

[Supplementary Information No A1.]

Hon ALANNA CLOHESY: Thank you for providing all of the information about the funding support that you provide in your annual report. I think it is a very accountable and good thing for the community to be able to see that. The regional funding across your range of programs is now coming from royalties for regions, is that right?

Mr Alexander: No, not entirely. We have a mixture of CF. We have amounts of money that we give to each region. We operate in 11 different regions. Tennis or netball, or whatever it might be, the association in that area can call on moneys to particularly assist their region. We have some—not those particular ones—which are funded out of royalties for regions. I think equipment grants and some travel subsidies are available for those. There is a mixture.

Hon ALANNA CLOHESY: How is it determined which fund will fund certain programs? How do you determine which is funded from royalties for regions and how do you determine which is funded from your core funding?

Mr Alexander: We sit down firstly with our core funding and look at how far it could go. Each situation, and each region sometimes, has its own context, but you are trying to provide a service for our community. We have had the standing one where we fund the sports association for a lot of years. Recently, there was the opportunity to provide some funding for equipment. What is it, Arron, \$400 a club, and then also some money for young people to travel to Perth and then to the eastern states? Some of that is coming out of the royalties for regions. That has only been possible because of that money. It was not possible before because money was not there. We cannot use the royalties for regions money in the city, so that is an opportunity to service regional Western Australia:

Hon ALANNA CLOHESY: I am trying to determine what comes first, the cart or the horse. Have you got a pot of royalties for regions money that you then decide to allocate —

Mr Alexander: No. That money came directly for those projects, to assist.

Hon ALANNA CLOHESY: You put in a bid to royalties for regions for all of those projects?

Mr Alexander: Yes. We had a discussion and that money was made available because there was a need seen, particularly for the travel, because the extra cost of people required to come to state training or to go to the eastern states.

[2.20 pm]

Hon ALANNA CLOHESY: So, you had a discussion with royalties for regions about the parameters of programs that could be funded?

Mr Alexander: We had a discussion with our minister, who was keen at that time to assist. He was well aware of some of the issues that people in regional Western Australia are facing and wanted to assist in that manner.

Hon ALANNA CLOHESY: So these programs were developed then and put to royalties for regions, or was that a broad parameter of the program?

Mr Alexander: No. The projects were fairly simple projects: (a) money for clubs to get some sporting equipment to encourage them to participate and to assist with more people participating; and then (b) it has been long known that there is some disadvantage in opportunity, particularly for young people, attending state training and some of those sorts of things. So, it was a good opportunity to assist them. It was not a complex program that had to be developed; it was just servicing a need. The money available was through royalties for regions.

Hon ALANNA CLOHESY: How long will that funding be available for those specific programs?

Mr Alexander: Three years.

Hon ALANNA CLOHESY: So it is \$3 million for —

Mr Alexander: Over three years and then it will be reviewed.

Hon ALANNA CLOHESY: Depending on the availability of royalties for regions funding?

Mr Alexander: Well, everything is depending on funding from where it is, but also to look at: has it achieved what the community wanted to achieve; are the right people getting the money; who are the ones who really need it perhaps more than others? All of those sorts of things you do because the dollar is finite and we try to make sure sometimes those that cannot afford it are the ones getting it, not necessarily those who would do it anyway.

Hon ALANNA CLOHESY: Was the decision-making process for that pot of money any different from the decision-making process that you would usually engage in in relation to funding?

Mr Alexander: Only in the sense that was the only pot of money we had to do that. If we wanted to do that project, there was no money available in the consolidated fund.

Hon ALANNA CLOHESY: In terms of the department's decision-making processes regarding funding allocation, was it done differently from the way —

Mr Alexander: No. It is a bit like there is another fund, which is to create a caveat, which is not quite the right word, but to also try to assist some of the athletes who are doing well in their home environments. It is interesting how sometimes we complain if our athletes have to go to Canberra to train at the Australian Institute of Sport because we like gymnasts who are eight, nine and 10 to be at home. Sometimes when we are in the city we forget the same thing occurs in the country, so there is \$3.6 million available out of royalties for regions to have some high-performance coaching in the bigger centres. But that money is not available out of the consolidated fund, so that project would not be happening at this stage unless there was money in the royalties for regions.

Hon ALANNA CLOHESY: Who made the decision that that was the priority to be funded in the regions?

Mr Alexander: The genesis was that there was one created as a pilot in Bunbury—it must have been five or six years ago—and that model has worked. People have seen the advantage of that and then people in regional Western Australia have seen the one in Bunbury and said, “We’d like some of that.” The midwest out of Geraldton has got one going. It is a bit different from the one in Bunbury. They are trying to increase coaching standards across the midwest so that there is

a broader clientele, not just the absolute elite, but all the up and comers and have a pathway. So you try to have a pathway so this enables a higher standard of coaching and administration and sometimes facility provision in your home town.

Hon ALANNA CLOHESY: Who made the decision that that program should receive royalties for regions funding over, say, other programs that also are needed in the regions, for example, increasing the level of funding to Sport for All in the regions? Who made the decision that this is the program we are going to go with from royalties for regions?

Mr Alexander: All the decisions for funding do not come up all at the same time but you do have in the back of your mind priority requests. So, as I said, the one in Bunbury has been there for six, maybe seven, years. That has been something that has been worked on and been worked up, so, across the journey, you look at how things are going because we give different pots of money to different regions for Sport for All and participation because part of the philosophy, we believe—it is an important one—is that participation is the main thing, and the elite sport is the tail, if you like. We do not want the tail wagging the dog.

The CHAIR: The loss leader!

Mr Alexander: Something like that! But it is us trying to get a balance so we work very hard on participation. The community sport and recreation facility fund is part of that in providing community facilities where people can participate. That money I mentioned earlier that we give to tennis and netball and that is very much part of the core funding for participation. So it is trying to find the pots of money that are available at the time to service the broad community in the need that we work with the minister and with our new minister. She will decide what the priority is in the final analysis.

Hon ALANNA CLOHESY: In the same way the previous minister decided the priority was for this funding out of royalties for regions?

Mr Alexander: The minister is required to sign off on the majority of our funding whether it is from the sports wagering account, sports lottery account, consolidated, royalties for regions. We do not necessarily have a pot there, but if there is an opportunity and we have been able to put that up, the minister also has the determination on all of our funding.

The CHAIR: Whilst you are on country sport, probably one of the best reports produced during this government's time is the "Review of Sport and Recreation in Regional Western Australia" by Peter Watson, with your agency's assistance, there are lots of recommendations in that. As an agency is there anywhere that you are tracking those recommendations? Is there a report card on those recommendations and findings of how many of them are being implemented? Rather than going through each of them here today is there a report card you do or is there any referral back to that report or does it join the dust?

Mr Alexander: No. I should refer to Amy McAllister one of the minister's advisers, because we were at a meeting the other day and Arron Minchin was at the meeting with Alex. We were talking about regional funding and I mentioned the Watson report.

The CHAIR: He will like it that you called it that.

Mr Alexander: The member for Albany report!

The CHAIR: No; we will call it the Peter Watson report.

Mr Alexander: Okay. You mentioned the fact that it was interesting that at the beginning of that report Peter had a feeling that the country was not getting a fair shake and it needed to be doing better. But it actually shows in the report that if you were in the country you were more likely to get a visit from a development officer or state sporting association than perhaps if you were at the back of Balga. But having said that if you are at the back of Balga, you get some other opportunities. There is this from time to time: Who is getting serviced well and who is not? We are always

looking at that because in some parts of metropolitan Perth, particularly the south metropolitan, we keep trying to make sure the Armadales, Thornlies, Gosnells, Lockridges and the KGB—Koondoola, Girrawheen and Balga—and sometimes they are forgotten. When you are in a particular country area, it is easy to isolate. You can see that area that is not getting funded. Sometimes, in the metropolitan area you can miss out. The Watson report was pretty much bipartisan I thought at the time and I suspect still is. One of the short answers to that question is we are doing a bit of a review for the minister and putting that report up shortly. But, largely, something that is front of mind all the time is: is it fair?

The CHAIR: On counting them through, there is in the order of 40 or 50 findings and I think the twenty-fourth is the last recommendation. Is there anyone in the agency that then goes back and says, “Yes those recommendations have been adopted.” I assume the government will have gone through and said we accept these recommendations or we do not, and the next stage would be to go through and say of those recommendation are they now being implemented and where are we up to? You are saying you are about to, but is there —

[2.30 pm]

Mr Alexander: We have done that. At the moment, it is not front of mind. What year was the report?

The CHAIR: It is 2008, but I think it was released in 2009.

Mr Alexander: We certainly went through it and looked at the areas of action, but I would have to get out some of the documentation to go through it. Our minister will probably be happy for us to provide information about where it is up to.

The CHAIR: Yes; because often with these reports, you read them and think they are great, and there are a number of references that statewide sporting organisations should do X and then the department should partner, but then, after doing one or two, it drops off the agenda because other things come along. I was trying to work out whether there had been an ongoing process.

Mr Alexander: It is; and with the Watson report at the time. It is a weekly or daily process on who wants what money for the final dollar, so there is always a review about who is getting what. It is part of what we have to try to do. Sometimes someone is complaining that they are not getting 500 lux lights and they will not be able to attract an AFL match in Geraldton, at Wonthella, which is a current example. I think the community trains under 300 lux lights.

Mr Didcoe: Training for most large ball sports is only 100 lux; for example, AFL is 200 lux for a WAFL match to be played, and 500 lux only comes into it because it is a minimum for telecast for TV, but they can always play in the daytime. They can play every level of community sport that they need to play at that ground with the lighting that has been provided.

Mr Alexander: The point was that we will say to people, if they want 500 lux on the opportunity that maybe once every five years or seven, if they are lucky, that an AFL team will come, well their community will have to pay for that, because there are other communities that have no lights for their people to play under. There is always a shortfall of money available compared with what people want—it is a bit like the home budget. They are the decisions we are making all the time, and who gets what in the country, Balga or Armadale is an everyday occurrence.

The CHAIR: Maybe if you take on notice as A2 what happened with each of those recommendations.

Mr Alexander: That will be a good discipline.

[*Supplementary Information No A2.*]

The CHAIR: If you have not done so, it would be good to go back and review it to find out what has been we done and whether there are things that you thought you would do have fallen off the agenda. That is why I thought it was worth asking about that today.

Mr Alexander: Yes.

The CHAIR: I have plenty of questions, but are there questions from members?

Hon RICK MAZZA: I have a couple of main questions, actually! I notice on page 102 of your report some \$17 million for “Employee benefits expense”. Can you explain what they are?

Mr Watt: In effect, salaries and changes to leave entitlements; for example, if there is an increase in the leave entitlement that is an expense, but essentially it is salaries, some on-costs and changes in some of the employee entitlements.

Hon RICK MAZZA: “Benefits expense” sounds like they are getting some particular benefit rather than wages and salaries.

Mr Watt: It is salaries, and the change in that relates to Camp Quaranup, which is in Albany. We have own-source revenue. The camp starts operation, it charges fees for groups to use the camp and it uses those fees to pay the salaries of people who come in and provide services, so we increase the revenue and increase the salaries. If that stopped, we would pull the salaries back and reduce the revenue. It works together.

Mr Alexander: And we have a well-managed leave liability scheme as well. We are going okay on that front as well.

Hon ALANNA CLOHESY: I hope so—the Department of Sport and Recreation!

Hon RICK MAZZA: That is right; they need their recreation. I refer to an entry on page 104, “Transactions with owners in their capacity as owners”. Can you explain what that is supposed to mean?

Mr Watt: That is a little imprecise. This is really the government as the owner of the list of capital assets. We have money coming in, we build the asset and while we build the asset, for example, the nib Stadium —

Mr Alexander: That will be nib, I think.

Mr Watt: — we hold it and then we transfer it over to VenuesWest, which becomes the owner of the property.

Hon RICK MAZZA: That explains that. I refer to funding support and the list of clubs and organisations that get funding support, which is good. I notice a number of shooting sporting clubs have received some funding support, which is a good thing. What criteria have to be met for a club to get funding support? Are there any criteria or guidelines for that?

Mr Minchin: First of all, we have an organisational sustainability program. Funding is annual—\$6.8 million in this report. They need to be state sporting associations; we do not fund the clubs directly. We fund the state sporting associations, such as rifle shooting, clay target or whatever it may be. We will assess that club based on a set of criteria: members, its strategic plan et cetera. We break them into different profiles—so profile one, two, three, four—and assess them on a number of criteria and we sit down with those sports and work out where they want to go and what they want to do. We provide advice on what we think they need to do in terms of governance, capacity building, working with their volunteers et cetera, and on the basis of those discussions we make a recommendation through the minister as to what we think they should get in support from government.

Hon RICK MAZZA: They need a business plan to put to you.

Mr Minchin: It is a very thorough process.

Mr Alexander: Also on page 23 you will see “State Sporting Infrastructure Fund”, which supports the WA Rifle Association and Smallbore Rifle Association in planning a ballistics facility out at Pinjar.

Hon RICK MAZZA: Is that where they are moving from Swanbourne?

Mr Didcoe: That is correct, long bore is moving out to Pinjar —

Hon RICK MAZZA: Closing Swanbourne.

Mr Didcoe: — and small bore is going to Whiteman Park.

Hon RICK MAZZA: Very good. I noticed another entry.

The CHAIR: Are you moving off state facilities?

Hon RICK MAZZA: Yes, I am moving away from the facility for the WA Rifle Association.

The CHAIR: If you do not mind, I will ask a question.

Hon RICK MAZZA: Go for it.

The CHAIR: You did a project update in 2013 on the state’s sporting facilities plan. Do you do an annual update?

Mr Alexander: Yes.

The CHAIR: Has one been released for 2014 yet?

Mr Didcoe: No, not as yet.

The CHAIR: When can we expect that to occur?

Mr Didcoe: I think it has been desk-topped at the moment. We should get that up to the minister over the next month or so and then we will get that out.

The CHAIR: Is it expected that will be made public at the time?

Mr Didcoe: We generally make them public on our website.

Hon RICK MAZZA: I think that I noticed that PCYC was mentioned in support funding. Do you help support PCYC?

Mr Alexander: We have funded odd things in the past, but they have the capacity to go to the consolidated fund in the same manner that we do to get support. We will share resources with them. We will help with education and all of those sorts of things; in fact, there are coaching courses on and other things in other portfolios, whether it is arts and culture or others that have to run meetings and do things that turn up as well.

Hon RICK MAZZA: So, you work in conjunction with them on some issues?

Mr Alexander: Yes.

Hon RICK MAZZA: That is all I have for the moment, Chair.

[2.40 pm]

Hon ALANNA CLOHESY: I refer to the kids’ sport component of the Sport For All program. What are the criteria for determining whether you are eligible for a voucher or not?

Mr Alexander: Firstly, you require a pension card or a Health Care Card. They are the two major planks.

Hon ALANNA CLOHESY: So the criteria are the same across all the local government areas?

Mr Alexander: Yes, absolutely.

Hon ALANNA CLOHESY: Okay.

Mr Alexander: But there are some areas where we look for the need as well, because sometimes it does not fit entirely into that need, just the same as some people want to play football and cricket, some people want to do dance and other things, such as scouts; they are able to attend scouts and those sorts of things. We have some literature here we can leave you on the diversity that has occurred, but Arron's particular division runs that project, so perhaps Arron might want to give you some of the other criteria —

Hon ALANNA CLOHESY: What I am specifically looking for, and you can take this notice if you prefer, is the demographics of usage by region, particularly by gender and by —

Mr Alexander: Can we pass this around? We have those here, if you like.

Hon ALANNA CLOHESY: All right, so we will take that as a tabled paper.

[Supplementary Information No A3.]

Mr Alexander: Arron, is there a bigger report than that? I suspect there is. There is more information, but do you require more information than that?

Hon ALANNA CLOHESY: Yes, definitely.

The CHAIR: Are you comfortable with this being made public?

Mr Alexander: Sure.

The CHAIR: Okay.

Hon ALANNA CLOHESY: So, do you hold data by local government area, the number of participants by local government area, by age, by gender and by —

Mr Alexander: So far, yes to all.

Hon ALANNA CLOHESY: I was also thinking of by cultural background.

Mr Alexander: Yes, yes and yes.

Hon ALANNA CLOHESY: Okay, can we get that for the last two years?

Mr Alexander: Sure.

The CHAIR: We will make that part of A3.

Mr Minchin: I was just going to add, it is not just health care cards; we also take referrals from community government agencies—for example, police, school principals et cetera—to make sure we cover all the need.

Hon ALANNA CLOHESY: So who determines whether they are eligible on the basis of that?

Mr Minchin: We work with the local governments, so they take the referrals and then they make the determination.

Hon ALANNA CLOHESY: What positions in local government?

Mr Minchin: Often they are community development officers.

Hon ALANNA CLOHESY: That was the point I wanted to get to. Also, the kids' sport applications are available in 15 languages, including Afrikaans, Dari, Swahili, Karen and Kriol. How were those community languages determined?

Mr Alexander: You might have me with that one!

Hon ALANNA CLOHESY: Will you take it on notice?

Mr Alexander: We are just trying to make as wider provision as possible, and I would say that they would make up the majority of —

Hon ALANNA CLOHESY: I am sure, but that is a very interesting list. If you are assuming that that is the higher level of population, then that is a pretty interesting list. It just caught my attention, so maybe I can take that on notice.

Mr Alexander: It is interesting. In substantive equity, we have worked very hard over the last seven or eight years to minimise the application process and the acquittal process. In fact, with kids' sport, what I did, we have got our minimum process that we could do to get the money out, and then I went to see Colin Murphy, the Auditor General, and had a meeting with him and said, "Will that wash?", and he was supportive of the process. It is actually an interesting question and probably a good part of a review to see what more we need to cover.

Hon ALANNA CLOHESY: Also, just as part of that supplementary —

The CHAIR: So we are making all of this the second part of A4.

Hon ALANNA CLOHESY: How were they determined, and which Kriol languages?

Mr Alexander: Arron can answer that!

Mr Minchin: We will find that out; I do not know.

Hon ALANNA CLOHESY: Okay. It is an important question, particularly in the Kimberley.

The CHAIR: We will make it all A4. Can we move into a new area?

[Supplementary Information No A4.]

Hon ALANNA CLOHESY: Yes.

The CHAIR: Back in November you provided some answers to questions on notice in advance of this hearing. One of them was with respect to a copy of the contract for the construction of the new Burswood stadium. Your answer was that a redacted version of the contract was to be put on the Department of Treasury website within six months of the contract being awarded. The best I can find is on 17 July last year, when the Premier said that the negotiations had been completed and were to be signed within days. We are now well over six months from then, so even if it was a week later or two weeks later, we would be over the six months. I cannot find it on the Treasury website. Has it been made public?

Mr Hurst: No, not yet. It was actually on 13 August; the state executed an agreement with the Westadium consortium to deliver the stadium, and we reached financial close on 21 August. That is the date we are working six months from, so we have until 21 February. That is very, very imminent.

The CHAIR: Why can a copy of that contract not be provided to a parliamentary oversight committee? It is one of the major financial investments of the state government, and we are committee of all members of Parliament who are given the responsibility on behalf of the Parliament to oversight government expenditure. Why are we not able to see a full, unredacted version, and you simply identify those areas that you would like to be kept confidential?

Mr Hurst: We will be publishing the project summary, which has a wealth of information. It is a comprehensive document on the project agreement, the procurement process and some of the commercial features of the project. But you are right, it will have redaction of certain aspects of the commercial-in-confidence, from both Westadium's perspective and the state's perspective as well. That relates to specific schedules within the project agreement because of the potential to compromise Westadium and its subcontractors, and some of the commerciality of the deal is important. That is also in terms of the state's negotiating position on future PPPs as well. This approach has been —

The CHAIR: But around the world there are PPPs often released where the full contracts are released. It depends on where you go in the world as to how much detail there is, and I have never

heard of anywhere in the world—can you give me an example of anywhere in the world that the release of a full PPP contract has been detrimental to a state having released it?

Mr Hurst: I have no knowledge of that, Chair, but —

The CHAIR: Well, you just made the claim that you cannot do it because it has commercial impacts for the state. I am asking you to give me examples of anywhere in the world where that has occurred.

Mr Hurst: No, but what I can give you is —

Mr Alexander: Well, there may be areas in the world that we are not aware of, but —

The CHAIR: If you are making the claim, I would have thought that you would have an example of why you would want to keep it commercial.

Mr Hurst: What I can tell you is that the release and the redaction of the document is actually standard and industry-accepted practice for PPP guidelines across Australia. It has been agreed by all governments as part of the national PPP guidelines. In WA, it has been used on the Eastern Goldfields Prison, on the QEII carpark and the Midland Health Campus project, which are already on the Treasury website.

The CHAIR: I think you mean the QEII carpark that now results in people having to pay an absolute fortune to go in there every day. It is a great success story, and the commercial reality of it is kept confidential from the public. We regularly have conversations with the health department about the problems that contract now creates for it. You still have not explained to me why it could not be provided to this committee, with a request that those areas of commercial-in-confidence be kept confidential.

Mr Hurst: As a result of the response to that, as per section 82 of the Financial Management Act, the minister's office, under the previous minister, wrote to the office of the Auditor General to advise that we were claiming commercial-in-confidence for the new Perth Stadium DBFM project agreement, and we would be releasing it within six months. As part of that, as recently as yesterday, the office of the Auditor General has now contacted us with a view to review that information to make a judgement on it as per its guidelines.

[2.50 pm]

The CHAIR: I guess the committee will just have to look at whether or not we are satisfied with that. I asked in part 3: what benefits does the contract provide to the constructions consortium or any members of it? And your answer was: under the terms of the contract the consortium are afforded the right to design, build, finance and maintain the stadium. Did the consortium or any members of it obtain any other benefits in terms of management rights, concession rights, naming rights, use of ground space, management of ground space or anything beyond the design, build, finance and maintenance of the stadium?

Mr Hurst: No, but I would qualify that by saying that as part of Westadium's bid they included a commercial opportunity for their use of 500 square metres, which was accepted as part of that process. So they have an opportunity within the stadium, within the boundaries set by the RFP; that is, "We want nothing to compete with what the stadium has to offer", and we have a list of exclusions that they cannot do. For example, they cannot put an AFL shop in the stadium; they cannot directly compete with any of the offerings within the stadium itself.

The CHAIR: So, what is it? How many square metres?

Mr Hurst: It is 500 square metres of commercial opportunity within the stadium.

The CHAIR: Inside the stadium? That says to me that that is a benefit for the members that goes beyond the right to design, build, finance and maintain the stadium. So, they are getting a benefit and why was that not part of the answer to the question I submitted? That was the whole point of

the question, to find out what else they get in terms of rights and benefits, and the answers suggested there were not any others. Do they get any opportunity to sell naming rights to anything?

Mr Hurst: No.

The CHAIR: So, who has the right to sell the naming rights to the surrounding parklands?

Mr Hurst: The structure of the DBFM agreement, because of the nature stadium economics, is very clear that the consortium cannot have any management or operational rights, and that is enshrined in all the project agreements. So, with the yet-to-be-appointed operator—for the users of the stadium being football, cricket, rectangular sports, concerts et cetera—there will be a negotiation on each party as a result on who gets what commerciality within each event that will happen.

The CHAIR: The 500 square metres: was there a value attached to that in determining the NPV for the contract?

Mr Hurst: We will have to take that on notice.

[Supplementary Information No A5.]

The CHAIR: I assume it would have though, would it not?

Mr Alexander: Yes. It would. If there were too much value, it might affect the contract.

The CHAIR: As well as whether there was a value, if you are taking it on notice, I would like the value that was attached to that 500 square metres of commercial space. What value was attached to that in terms of the contract?

What are the ongoing annual payments required by the state under the contract?

Mr Hurst: I think we can respond to that in a similar vein in terms of commerciality of the contract. I am not really allowed to reveal that information.

The CHAIR: No, that is why as a parliamentary oversight committee I am asking you it, because I am not aware of it being made public and I cannot understand why when a government enters into an ongoing project of this size, the annual ongoing payments that are required to be made by this date cannot be made public.

Mr Alexander: That becomes a matter for the minister, where we are not at liberty to release that.

The CHAIR: So, there was no technical reason why it could not be released?

Mr Alexander: I cannot answer that question.

The CHAIR: I am not asking for the policy; I am asking whether there were any technical restrictions that prevented that being replaced. It is simply a policy decision of government not to release it?

Mr Alexander: No, not necessarily. We have to take that question on notice.

The CHAIR: I understand you cannot answer the policy arm; what I am trying to establish is whether there were any technical reasons for it not to be released as opposed to a policy decision of government. I completely agree with you that if it is a policy decision of government, it is for the minister to respond to, and I am happy for that to be taken on notice with respect to the policy. I am after whether or not there was any technical, contractual or any other reasons why it would have not been able to be released—any technical reasons why it could not be released.

Mr Alexander: I do not have that at front of mind. I will have to take that on notice.

The CHAIR: So, the technical and policy reasons for why it was not made and also what the ongoing annual payment is.

[Supplementary Information No A6.]

The CHAIR: Do we know what the interest rate used was for determining the net present value—the discount rate?

Mr Hurst: I think it is a similar answer to the previous one.

The CHAIR: Can we ensure that we get the discount rate that was used, and if there were any interest rates used in calculating anything—what they were—in making assessments.

Mr Hurst: The discount rate was actually provided by Treasury.

The CHAIR: Just going back to the ongoing rights, there are actually no rights for the people constructing the stadium; they have no rights to anything in the precinct as opposed to the stadium itself?

Mr Hurst: Define rights.

The CHAIR: Rights or benefits. As a result of getting the contract to build it, they had the ability to do any other development within the precinct—any naming rights to hold events in the precinct, to sell the name rights to parts of the precinct, to build adventure playgrounds in the precinct or to do anything in the precinct that is not building a stadium and having 500 square metres of commercial space.

Mr Alexander: Nothing that was over control.

The CHAIR: What does that mean?

Mr Hurst: There are two commercial partners that are being proposed for the precinct that do not affect anything to do with the stadium, but were part of Westadium's bid to enhance the value of their bid, so they brought third parties to the table. I am not in a position to disclose that at the moment, but they will be disclosed in due course.

The CHAIR: I think it is pretty common knowledge who they are, though. I think that part has been reported! The only people you are hiding it from is the parliamentary process; it is an interesting one!

Mr Alexander: I suspect you are right, but they are not controlling anything. That will be passed over to them.

The CHAIR: So, the value of that, who gets the value? Or does that come off the cost of the stadium?

Mr Hurst: No, they were value enhancements proposed by this consortium to enhance the precinct.

The CHAIR: But those partners are making a contribution for those rights?

Mr Hurst: There are no rights. They are making a contribution for what they are providing on the site. There will be a sponsorship —

The CHAIR: But they get their names attached to those facilities they provide onsite, do they not? So, like we have that BHP water playground down at Elizabeth Quay, we might have the Rio Tinto adventure playground around the precinct and they will then pay for the cost of the construction?

Mr Alexander: The capital works.

The CHAIR: The capital works. And then who picks up the ongoing operating costs of any enhancements?

Mr Hurst: The consortium.

The CHAIR: For the life the project?

Mr Hurst: Correct.

The CHAIR: But they do not get any value from the original purchase? They do not get any contribution from that third party then?

Mr Hurst: They have brought third parties to the table for the state to consider and subsequently approve a contribution. The benefit would be that they would use some of their subcontractors to provide the work to their satisfaction, so there is a knock-on effect, in essence, in terms of the work value.

The CHAIR: So then the ongoing operational costs are picked up as part of the basic management —

Mr Hurst: Over the 25 years, so BJC, who are the subcontractors to Westadium for the maintenance for 25 years, they are responsible for the maintenance of the precinct and the stadium, so all the assets.

The CHAIR: What obligations are there? I have seen plenty of those sorts of facilities get built and after five years they get heavy maintenance and people walk away. Is there any bond on those organisations to ensure that they comply with their obligations for the life of it?

[3.00 pm]

Mr Hurst: There are significant penalties within the DBFM project agreement should it not be commensurate with the standard that is expected by the state. There are obligations on all aspects of the maintenance. One of the attractions of this PPP vehicle is that they have got a 25-year commitment to maintain it to a predetermined standard of performance indicators. There would be punitive measures under the contract if, one, it is not fixed, and if it is not fixed within a certain time as well.

The CHAIR: Right.

Mr Alexander: In other words, there is an inducement to put in good materials that are going to last because if you do not, you are going to be responsible for maintaining it further down the track.

The CHAIR: Do they get any annual operating budget to do that work?

Mr Hurst: That is part of the overall agreement and part of the overall contract to maintain the precinct. The state has a capital contribution and a life-cycle cost contribution over the 25 years to Westadium.

The CHAIR: And then there is also a repayment of part of the capital cost, is there not?

Mr Hurst: Yes. The capital cost and a repayment on the life cycle over the 25 years.

The CHAIR: Yes. So are they broken up into two separate figures or merged into one?

Mr Hurst: No. They will be broken; they are separate.

The CHAIR: Do we know what those figures are yet?

Mr Hurst: Yes, but I am not sure they are in the public realm as yet. But yes, we —

The CHAIR: Go on, make them! They have got to be made public at some point. Better now than never. Before a parliamentary oversight committee—our job is to look at the expenditure of government, so what is the cost?

Mr Hurst: I do not have those figures in my hand.

[*Supplementary Information No A7.*]

Mr Alexander: That is providing the minister is prepared to release them.

The CHAIR: I am asking for them, so —

Mr Alexander: Yes. That is fine, but you are in effect asking the minister.

The CHAIR: Yes. So what I am interested in is what are the capital repayments each year, what is the state's contribution towards the ongoing life cycle maintenance costs on an annual basis and how they are calculated over the life of the contract.

Has the decision been made on stadium membership yet?

Mr Hurst: No.

The CHAIR: Is that still an option?

Mr Hurst: It is part of the mix in terms of how the seating would be, and user and hire arrangements for the various sporting groups.

The CHAIR: When will those sorts of decisions be finalised?

Mr Hurst: We are in ongoing negotiations with the two primary users. We define primary users as the joint group or working group, which is made up of representatives of the football commission, AFL—West Coast and Fremantle—and cricket. Cricket is made up of Cricket Australia and the Western Australian Cricket Association. So we are in commercial negotiations with them. For the committee's interest, the operator agreement, the expression of interest will be advertised tomorrow, which will take approximately a year to recruit an operator following an expression of interest and then a request for a proposal in approximately the middle of the year. The intention is that the commercial negotiations with the two primary sports of cricket and football, we will agree commercial terms, and those commercial terms will then be included in the RFP for the operator, and the comparison I would give you is similar to Perth Arena. When the Hopman Cup moved from Burswood to the Perth Arena, we wanted to ensure the commercial arrangements were enshrined in that agreement before we went to the market for an operator, which was subsequently awarded to AEG Ogden. When Ogden won that tender, there were non-negotiables when it came to the Hopman Cup tennis. So the rights were enshrined in the operator agreement. It is a similar model to the one we are pursuing for the new Perth Stadium.

The CHAIR: So when do you expect to conclude your negotiations with those two key primary users?

Mr Hurst: As soon as possible.

The CHAIR: Did you not say you are going to a request for a proposal?

Mr Hurst: Middle of the year.

The CHAIR: So what is going out tomorrow?

Mr Hurst: The expression of interest.

The CHAIR: So the EOI will go out tomorrow, so you will need to have the commercial negotiations on the user fees for those major users completed by the middle of the year. Does that also include the cost of public transport or are they separate?

Mr Hurst: They will be separate, but there will be terms and conditions in terms of looking at the cost of public transport.

The CHAIR: Will it be a requirement for users at the stadium to have an agreement with the PTA to use public transport?

Mr Alexander: Most likely.

Mr Hurst: I think it would be hard to envisage that not being the case given the joint ticketing arrangements.

The CHAIR: That is what I am saying—is there not already a policy established? If you are having a function in the conference room on a Friday night, maybe not, but any events over a certain size, is it not a part of the policy at the stadium that they will need to enter into agreements to use public transport?

Mr Hurst: Yes. And that is certainly part of the commercial discussions we are having with sport and working with the PTA on that issue as well.

The CHAIR: So is there a lockdown figure with the PTA of what they are going to charge? They are almost as ruthless as the private sector on these matters.

Mr Hurst: Not at the moment. We are just working through that issue.

The CHAIR: Right. So when do you expect to have completion of those? I cannot imagine you will be able to lock the major sports down to a figure for paying for the stadium if they do not know the whole cost, which would include the access to public transport. I assume there will be a fairly extensive additional cost to use public transport at that site because you have got to run the shuttle bus down to East Perth; you have got to run the shuttle trains from Perth to East Perth and you have got to pay for fairly extensive complexities, shall we say, particularly if you going to the bigger events, trying to run enough trains across a two-track bridge. It is not going to be easy; it is going to have significant financial implications, not to mention the additional staff that will be needed at the East Perth station because the upgrades are not going ahead.

Hon ALANNA CLOHESY: It is not accessible.

The CHAIR: Yes. They will need to have the people to put down the platforms for people in wheelchairs and all the rest of it. Knowing the PTA, I am sure they will seek to recoup all of that cost. I am trying to work out whether we have a parameter of what we expect? Have we started to do any work on comparing the cost at Subiaco, what that cost will be at Burswood?

Mr Hurst: The answer is yes. We have started the initial research on that, but we are nowhere near answering the questions you are asking me in terms of locking it down and what the number is going to be in our request for a proposal.

The CHAIR: You are going to have a busy four months if you have got to get that all done before you put your request for proposal out by the middle of the year!

Mr Alexander: We had a busy last year trying to get a lot of this done.

The CHAIR: Yes.

Mr Alexander: Because, as you would appreciate, there are two extremes of wants in this negotiation.

The CHAIR: And I have watched some of the negotiations in the past.

Mr Alexander: It is not a popularity contest, I can tell you.

The CHAIR: No, no. You have actually lost a few of them now, but I know you gained a few grey hairs at one point, Ron! Do we have any idea of the quantum figures in terms of the costs of operating or renting this stadium compared to Subiaco? Are we talking about an increase of sort of 10 to 15 per cent over the current cost, or is it going to be —

Mr Alexander: The increase comes with, you know, the state insisting that there be a reasonable level of maintenance. That is basically the difference. We have got some figures on that, and that is an increase.

The CHAIR: So what are those? Have you got a ballpark term? What are we talking about in additional cost?

Mr Hurst: I am pretty sure he is talking about the ballpark in terms of the joint ticketing arrangements. We have had the preliminary discussions, so I would be not in a position to give you a number. It is purely an indicative figure at this point in time because there are a number of negotiations that have to go on. So it is by no means anywhere near being locked down at this point in terms of the actual cost to the users of the new Perth Stadium.

The CHAIR: Have we secured agreement from the PTA that they will be able to operate Friday night games at the stadium or, for that matter, any weeknight games?

Mr Alexander: They have not said they will not.

The CHAIR: What?

Mr Alexander: Well, by exception, they have not said they will not.

The CHAIR: Yes. I am just wondering where they get the railcars from to do it, because to operate the stadium you need to basically use every available railcar, and during peak times in the weekdays every available railcar is already out on the system working somewhere else. That is why I have never understood how the two could coexist. I am assuming that is an issue that has been raised, so it is an issue you have raised with PTA, or are you just working on the assumption that they would have told you if they could not do it?

[3.10 pm]

Mr Hurst: The PTA are obviously working on the whole transport solution, in conjunction with ourselves, as part of the project team. That is something we have not had a recent discussion in terms of. I know you have personally raised it yourself a number of times, but that might be a more appropriate question for the PTA, I think, at least at this point in time.

The CHAIR: But have you ever asked the question of them: can they provide rail to that site for Friday night games? Have you ever had that formal discussion with them, and have they said yes or no?

Mr Hurst: I think it is a matter of public record that they have stated that Friday night delivers challenges for them for games, particularly in rush hour.

The CHAIR: Yes. But we are now into construction, so I would have thought we would be getting to the point where we know whether, yes or no, it can be delivered.

Mr Alexander: We have not had a “yes” or “no”. We have had “it’s tough”.

The CHAIR: Seriously?

Mr Alexander: Yes; and of course for Friday night games are sought after, because they get a bigger television audience, and there is a range of flow-ons from that.

The CHAIR: But I would have thought that a key part of the planning would have been to have got to a point where you were assured of being able to operate Friday night games there. So we are not at this stage assured of being able to operate Friday night games there?

Mr Alexander: We have not been told that they cannot.

The CHAIR: Okay. An interesting way of planning, but anyway. That is a policy decision of government. I will let my colleagues ask some questions. Hon Alanna Clohesy.

Hon ALANNA CLOHESY: The State Netball Stadium. The last we heard, after the fire, from the State Netball Stadium —

Mr Alexander: Yes, \$5 million worth.

Hon ALANNA CLOHESY: So \$5 million is what the cost was, was it?

Mr Alexander: Yes, under the builder’s insurance.

Hon ALANNA CLOHESY: Okay. So there is no cost to the state?

Mr Alexander: Not that I am aware of, no.

Mr Didcoe: We are working still on the basis that it was all under the builder’s insurance, because the site had not been handed over to the state. So, all of the bills are going through Building Management and Works and our insurer to the builder and their insurer.

Hon ALANNA CLOHESY: So, about \$5 million worth of damage?

Mr Didcoe: I am not looking at the detail of the numbers because I am not paying the bill at the moment. It is an ever-changing feast with the builder, and obviously they are doing everything they

can to mitigate the cost to themselves, and to the insurer as well. You may be aware that Netball WA have now moved into their office space.

Hon ALANNA CLOHESY: That was going to be my next question. We were expecting a completion date of early 2015.

Mr Didcoe: Yes. At this stage, we are looking towards the end of February, very early March, for completion. I had a walk around with the CEO a couple of weeks ago through their office space and I was looking out into the sporting arena and their new sports floor. They are replacing the sports floor from the one that had only been down for a couple of weeks. That was about two-thirds of the way completed at that stage, and a lot of the other internal works had been done. The intersection was open and operating, the road is open, and things are going pretty well at the moment. West Coast Fever are very happy. They have got a gym on site now. It had not been completed when I was there but there is a nice new ice bath for them that has been procured. All the change rooms and everything else are ready to go.

Hon ALANNA CLOHESY: So we are looking at early 2015—the end of February 2015—like in another two weeks or so?

Mr Didcoe: Yes, we are looking at that.

Hon ALANNA CLOHESY: What will that handover involve? Is that a complete sign-off, tick-off kind of thing?

Mr Didcoe: Other than the normal defects period that you have on any facility, which tends to be 52 weeks, or sometimes longer, depending on if there is a specific piece of equipment that you want an extended warranty on, and then they will be operating in that facility as soon as they are able to get that going. It is obviously going to be available for the next netball season, which will begin in May.

Hon ALANNA CLOHESY: Just remind me: what public transport goes to the venue?

Mr Didcoe: There are just buses that run past —

Hon ALANNA CLOHESY: That go to the venue.

Mr Didcoe: That go to the venue?

Hon ALANNA CLOHESY: Yes.

Mr Didcoe: I am not aware of a specific public transport service.

The CHAIR: There are certainly buses that go past the netball centre.

Hon ALANNA CLOHESY: No; to the venue. It is past, not to. What public transport goes into the venue?

Mr Didcoe: I am not aware of the bus service that goes into the venue.

Hon ALANNA CLOHESY: Why was that site selected if it is not accessible to public transport?

Mr Didcoe: I would not agree that it is not accessible to public transport. But I am not sure that the sport or the town have necessarily said that they need any additional public transport services over and above those that may be available on a day-to-day basis.

Hon ALANNA CLOHESY: How many car parks are there?

Mr Didcoe: Good question. I am not getting the number off the top of my head, but I am happy to get that for you.

Hon ALANNA CLOHESY: We will take that on notice.

[*Supplementary Information No A8.*]

Hon ALANNA CLOHESY: As part of A8, can we also have the proportion of the total number of car parks that are accessible for people with disability?

Mr Didcoe: Yes.

Hon ALANNA CLOHESY: And, in addition to that, the proportion of the total number of car parks to the seating capacity of the venue?

Mr Didcoe: Yes.

Mr Alexander: Because netball have all of the matches start and finish at the same time on the courts, one of the things that we have been trying to encourage netball to do is have offsetting so that some finish on the hour and some finish on the half hour, because then you have less traffic movements all at once. That is something they have been doing for a lot of years, and at this stage they do not like changing. So we are encouraging them to do that, or at least have a traffic management plan which assists the movement.

Hon ALANNA CLOHESY: But to date there is not any?

Mr Alexander: There is a traffic plan, but not a very good one.

The CHAIR: Sounds like the transport plan for the major stadium!

Hon ALANNA CLOHESY: Thank you! When you compare the accessibility of the State Netball Centre to the major stadium, I think it is very interesting.

The CHAIR: I give the call to Hon Rick Mazza.

Hon RICK MAZZA: Thanks, Chair. Have you completed a new IT strategic plan?

Mr Watt: We are working to a draft strategic plan. So we are working under the department's strategic plan, and one of the outcomes under the department's strategic plan is improvements in support and innovation in corporate services, including IT, and we have an interim plan about how we are rationalising and how we manage our IT. Do you want me to go into some specifics?

Hon RICK MAZZA: Yes; if you could explain that, that would be good.

Mr Watt: Some of that is to rationalise and reduce the cost of providing the IT. So there is a reduction in the number of databases that we maintain. That is an active thing. We are closing down databases that we no longer need, and we are gathering the data into a single application. We are closing down all the servers in our server room. The aim is to still have some servers running to support some legacy applications that we are looking to close down in time, probably over the next 12 months. We access all our servers through a cloud service. At the moment that is from ServiceNet, which is a state government offering. We no longer have any tape backups. We are backing up our entire dataset through a common-use contract to a product called Azure, which is run by Amazon and has servers in Melbourne. So we are no longer doing the daily tape backups. We have closed down our PABX. There is a requirement to have a capital investment every so often—it is about \$600 000—for when we want to renew our PABX. So there again we have contracted with Telstra to use what is called TIPT, which is an IP telephony. We no longer buy or lease any photocopiers. All our copiers are provided again under a common-use agreement through the Department of Finance. We have basically a valet service, so we pay a fee which covers all the copies, the provision of the machines and the servicing of those machines, and they can come and go as we require. We have been developing, using the Microsoft licensing through the government contracts, a Microsoft client relationship management system to start taking over a lot of our business processes. So rather than have a specialised application for something, we are starting to run more and more business processes using the Microsoft CRM, which is reasonably cheap to licence through the government.

[3.20 pm]

Hon RICK MAZZA: Sounds like you have done a fair bit of work in that area. Is it complete or are you still ongoing with it?

Mr Watt: It is still ongoing. We have a risk key map where we started with a lot of reds, and we are starting to get a lot of greens. There are still some items that are red, which are mainly legacy applications—for example car booking systems, room booking systems, some databases to do with clubs and KidSport—but we are looking at replacing those; putting those into our Microsoft CRM, and we have replaced the department's website too in the last six months. We have changed the platform that we had the website on to make something that is a bit easier to manage, a bit more secure and much more accessible.

Hon ALANNA CLOHESY: Under “Issues and trends affecting us and the sport and recreation industry”, access to quality, functional open space is a significant issue. I do not suppose you have got a copy of the current research that it refers to?

Mr Alexander: What page is that, sorry?

Hon ALANNA CLOHESY: Page 37, the third dot point down.

Mr Alexander: Anyway, it is a big issue. We got seriously involved four or five years ago. The Department of Planning is a very busy department and public open space is pretty important to our portfolio. So both public open space and regional open space, which are the big Yokines and Kingsways and those sorts of things. We are concerned about provisioning some of the new housing areas, definitely Cockburn if they want to play cricket and other sports coming into Melville, Ellenbrook, going into Midland. There are issues about it being uniform, particularly throughout the metropolitan area. There is also regional Western Australia.

Hon ALANNA CLOHESY: Just because there is open space does not mean that it is usable.

Mr Alexander: Exactly. There is active open space and passive, so you are wanting to provide that. Bush Forever —

The CHAIR: And active open space with water rights as well.

Mr Alexander: That is another one.

Hon ALANNA CLOHESY: Ellenbrook, is it?

Mr Alexander: It is a nice marriage going into the department; it also has got something to do with water. It is a big issue. Bush Forever, of course, has impacted on what was generally 10 per cent open space under the Gordon scheme earlier which has provided a lot of inner-city Perth with more open space than the outer growth metropolitan councils, which surprises people. There has been a range of documents completed which will impact on the 2031 planning. Rob might want to go into them. Julie Rutherford has done a mighty job in looking at what the need is and then providing planning guides; also looking at water and other things.

Mr Didcoe: I actually brought copies of some of those publications which we can leave. They are the sorts of things like classifications framework.

Mr Alexander: Pass them around then.

Mr Didcoe: They are in my bag!

Mr Alexander: We are on an austerity campaign!

Hon ALANNA CLOHESY: You knew, though, I was going to focus on that dot point.

The CHAIR: I just thought Ronnie would have had the contract in his bag, but clearly not!

Mr Hurst: I am a big bloke but I have not got muscles that big.

The CHAIR: But we would have only required one copy. I assume these are all public, so they can be made public?

Mr Didcoe: Yes, they are.

Mr Alexander: But they are documents that go into the planning system, not just wish lists or anything else.

The CHAIR: Are members happy for them to be public?

Hon RICK MAZZA: Yes.

Hon ALANNA CLOHESY: Yes.

I am specifically interested in the research that predicts the 495-hectare shortfall.

Mr Didcoe: If I had copies of those I would have brought them, but my recollection is that they are on our website. We can provide that, yes.

Hon ALANNA CLOHESY: That would be great.

Mr Alexander: That was completed by Garry Middle, a now retired professor of Curtin University. He is currently on the Planning Commission, which is pretty handy. I forget—the throwaway line was that was the equivalent to about 27 AFL grounds, I think. That could be considered a short form.

Hon ALANNA CLOHESY: Or several more netball courts.

Mr Alexander: Yes.

Mr Didcoe: The members have indicated they understand various complexities. I heard Ellenbrook mentioned and obviously that is in an area where the agency and the City of Swan have put together various sites just of open space. There is so much water for a range of playing fields and then, you know, some synthetic soccer fields being put down to accommodate that need out there. That is a conscious issue. Going back, as I indicated, planning frameworks change all the time, but we had to sort of try and strip it back with the classification framework in the beginning to work with local governments because what one local government calls a park or a reserve with a certain nature, another one calls something else. It is very difficult, as you would understand, when you are trying to engage with planners. Urban planners do sport. The development sector are part of this discussion as well. They are an integral part to the whole equation. They often think government sees them as the bad guy. In a former life I worked for a developer, so to some degree I know a little about how they think, and it is not making them out as the bad guy. I have not met a developer who wants to build intentionally bad communities, but they still want to make as much money as possible; it is about trying to find the right frameworks. Just the same in the beginning, people thought we were anti-bush because we did not like Bush Forever, and we said “No”. Bush is fantastic because a lot of those bush areas provide passive recreation, particularly where there are walk paths through there and people can go for a walk. That is restorative in its own nature, so we are not against that, but we are about trying to get the right balance so that there is enough open space, as you indicated earlier, of the right sorts of quality and size that would meet the majority of the needs. We have been working with the City of Canning and the Department of Planning to identify some space down in Jandakot. If my memory serves me right, it is around 65 hectares. They are looking at doing some work based on a master plan. It was recently completed by those parties and significant developments to try and identify some additional space.

Mr Alexander: Can I just say that there is a range of issues. One, which I declare a conflict of interest on, is fencing. Currently the policy for fencing is whatever the principal decides is a good idea. At the moment, urban infill is going to be the figure that the Department of Planning have come up with. Forty-seven per cent of new dwellings are going to be by urban infill; that is, battle house blocks or higher densities. At the same stage, both public schools and private schools are fencing off the public open space. We have the public school and the parents on one side of the fence say they are only fencing off the facilities that might be in there—tennis courts or basketball courts or the oval—requiring the community to build some just down the road. Currently, you

would have to be concerned about the policy on public open space. What the school principals say when you talk to them—Trinity are about to, I understand, fence off the public open space off Manning Road. There is no school or no kids or anything there overnight or during the day or anything like that. If you look forward in 20 years, every school with a garrison-style fence around them would look something like Johannesburg. Everyone in their own right is looking after their own interests, and the principal has the magic dust of child safety. Everything then revolves around child safety and you cannot argue, and a fence goes up. It is a bit like the shared use of facilities. We all agree that using facilities at schools is a good idea; it is just a no-brainer. There is some effort and there are some success stories, but the moment the rubbish bin is full or the gym door is left open, the principal does not like it and it is a concern and they cut it off. I do not know whether we have to really struggle in our economy before the community goes, “This is just a silly situation.” It is certainly my belief that local government should have control of schools, particularly public schools, after 3.30 or 4.30 or whatever it is, when they can book what they need, so they get first choice, and then after hours, if the local government had the authority to do it, I think we might get some sensibility into it. Until that happens, I do not think it is ever going to happen. But we have a perfect storm coming. Forty-seven per cent of new dwellings are urban infill and guess what we are doing with the school open space? Locking it up. I do not know what is going to happen in the future, but it is not going to be a pretty landscape and it seems a pretty dumb thing to be doing.

[3.30 pm]

The CHAIR: As far as I know that shared gym with Mount Lawley High, ECU and the community works really well, does it not?

Mr Alexander: There are some good schools. Scotch College leaves theirs open; you know; there is a range that do. But what happens is another perfect storm is when you employ a risk manager. It is a bit like when you have an operation: if you have an operation on your knee, you get scared to death when you read the informed consent!

The CHAIR: Yes!

Mr Alexander: You know, a jumbo jet is going to fly in and you are going to get golden staph and everything else!

The CHAIR: Especially with your knees!

Mr Alexander: I am not scared of anything! But the problem is when you get a risk manager, they tell you all the things that could happen, and if you happen to have a black-letter lawyer as your principal, you are shot, you know! And the community has just been locked out of its own resource, including private schools who get given land sometimes at a peppercorn, then the context changes. The Chris Dawsons of this world, the Assistant Commissioner of Police, when you ask him about certain areas, he comes back with, “Well, it is the safest suburb on the planet, yet the risk manager has convinced everyone you need to lock it up.”

The CHAIR: Just on that space issue, one of the big issues in the northern suburbs is, as I understand it, in those sorts of new subdivisions. Apart from the fact that they are now like spot fires up Marmion Avenue, which is creating a massive issue in itself, because the local playing space may be in the neighbouring development, so that is not going to be for another 20 years, and the regional space also just does not seem to be getting developed. Are you involved in any of the work? It strikes me that part of that is that Planning is not buying the land for the regional open space. Are you aware of why that is the case, or is there anything you are doing to advocate to get them to hurry up and buy some of that regional open space; because, I mean, we have had the brawl at Yanchep and it is going to happen all the way up and down there between Butler and Yanchep?

Mr Alexander: I know Wanneroo have got the plan. Wanneroo have the plan for public open space but they do not have the money to buy the open space.

The CHAIR: And a lot of it is regional. If it is regional, it should be bought by the WAPC and they are not buying theirs either.

Mr Didcoe: We probably should not talk for them, but my gut would tell me that they are looking at the metropolitan region improvement fund and they have to work out when the timing is right for them to buy that particular parcel of land. And then, you know, sometimes early developments leap-frog where the existing boundary is and that becomes more complicated. One of the pieces of work that we are doing at the moment is developing a business case for these sorts of regional-scale facilities, and that is including looking at that land acquisition aspect, as we understand the difficulties that local governments have in acquiring those. As Ron indicated earlier, if we did not have the Yokines and the Charles Rileys and the green open spaces, we would have similar issues; and in the urban area it is just that our forefathers then managed to acquire those parcels of land for us now. It is going to continue to be a challenge, I think, up in that northern corridor.

The CHAIR: Yes. I just wondered if there was a framework about when that land, the regional open space, should be being bought from a sport and rec point of view in the same way as you have done this classification; because it seems to be very much around the budget decisions —

Mr Didcoe: Yes, timing decisions —

The CHAIR: — of the WAPC and the metropolitan region improvement plan; whereas I would have thought there was a more scientific point or, “We need it by this stage because there are X thousand people living in that area.”

Mr Didcoe: Yes. We try not to adopt the standards-based approach to planning as others do because communities are not homogenous. That said, we do have the Department of Planning involved in the body of work that we are doing, which arguably is probably what they would do, but we are doing it because, as you know, we are representing the disparate interest groups which are, you know, the community who are interested in participating in sport and recreation, and local governments who are interested in being able to provide those opportunities.

The CHAIR: Just whilst we were talking about Ellenbrook, the other issue out there was the swimming pool. Are you working on that at all? Is your agency tasked with implementing that election commitment of government?

Mr Didcoe: Yes, we are.

The CHAIR: And where is that up to then?

Mr Didcoe: In discussions with the City of Swan late last year, they decided that they needed to do a citywide aquatics facility strategy, which we have provided some funds into before. I think they were going to go to the market last week with that to get somebody on board to help them develop that. And they are going to take into account Mundaring, which is part of the reform process they are taking in; they will acquire a pool. So they need to sit back and just have a look at what their needs are as a district-wide community going forward, and then we will work with them in the context of what happens at Ellenbrook.

The CHAIR: So, what sort of time frame are we looking at on all of that?

Mr Didcoe: I think the body of work that they are talking about doing for the aquatics facility strategy was about three months.

The CHAIR: So there is still a commitment to working with the council on that?

Mr Didcoe: Absolutely.

Hon RICK MAZZA: I am sure I noted in the report that you worked with the Department of Parks and Wildlife for mountain bike tracks, talking about shared resources and risks.

Mr Alexander: Yes, once we have worked with them, yes.

Hon RICK MAZZA: I imagine they would be risk-based guys as well. How many areas of Parks and Wildlife land do you have set aside at this point in time for mountain bike riders, or is it something that moves around a bit?

Mr Alexander: You will have to help me out, Rob, because that is a broad question.

Mr Watt: There are a lot of mountain bike trails. There is a specialised one. Of course we have got the one in Kalamunda, that course, which is fairly well used. I think thousands of mountain bikers will descend on that in a week.

Hon RICK MAZZA: It is becoming a popular sport but I did notice that at the back of Hofmann, it might be near the Hofmann mill, there is a track there. I do not know whether it is a temporary track or whether it is a permanent track.

Mr Alexander: What we have is a trails committee, walking trails and some bike trails, and we get funded partially by Lotterywest. So there is a range of provision and there is a range of bike tracks. I am sure there is a list of bike tracks around the place, which we can dig out and send, if you like.

Hon RICK MAZZA: Can you take it on notice?

Mr Alexander: Yes, because there is the Munda Biddi track and all of those, you know. Down at Dwellingup there is a range and, you know, in all different parts there is a range of bike tracks. Part of the issue we have is you build these things, the other half of the equation is making sure people know where they are; and, (b), when they do know where they are, if it is a walking track or a bike track, they say, "Well, can we use our mobile phone? If we leave our car here, is it going to get robbed? Do we need two cars, one here and one to take the people down?" And so some of that confusion about how and what you do on these things is what we have to continually be putting forward to people so they participate rather than go, "I'm not sure what to do here."

Hon RICK MAZZA: Do you guys work in concert with Parks and Wildlife in setting these things up or do Parks and Wildlife do that on their own?

Mr Alexander: No. Some they do on their own and some we do on our own. Generally we work together, particularly if it is, obviously, the land that they control. We have mountain bikes WA and we have a state association that is interested in those things as well.

Hon RICK MAZZA: Thank you. That is all I have, Chair.

The CHAIR: Are you going to ask about the trail bike strategy? We will be here all afternoon if we got onto that one!

Mr Alexander: Part of that has been moved with the new chief of staff, the next one moving from sport and rec; he is going to take some of that with him to local government, so we are not entirely disappointed about that.

The CHAIR: Unless there are any other questions anyone wants to fit in, the committee will forward any additional questions it has to you in writing in the next couple of days through the minister, together with the transcript of evidence, which includes the questions you have taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. And on behalf of the committee, I thank you for your attendance today.

Mr Alexander: Thank you very much; it is much appreciated.

Hearing concluded at 3.38 pm
