

Division 37: Western Australian Sports Centre Trust, \$140 939 000 —

Ms M.M. Quirk, Chair.

Mr D.A. Templeman, Minister for Sport and Recreation.

Mr D. Etherton, Chief Executive Officer.

Mr N. Lucas, Chief Financial Officer.

Ms T. Widdicombe, Chief of Staff, Minister for Sport and Recreation.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Roe.

Mr P.J. RUNDLE: At the bottom of page 554, under “Spending Changes”, is the line item “Optus Stadium Maintenance Obligations”. I note that the figure goes from \$4.5 million in the 2023–24 budget up to \$7.8 million and then \$14.5 million. Can the minister enlighten us on what that large increase is all about?

Mr D.A. TEMPLEMAN: I am happy for the chief executive officer to respond.

Mr D. Etherton: Optus Stadium has a design, build, finance and maintain contract. Obviously, the maintenance of a billion-dollar building costs a fair bit of money. That has a consumer price index provision in it. The growth in those numbers is really a response to the CPI provision in the maintenance of that asset. The member will notice that in the final out year, it is actually negative or it goes down slightly. That is because that was already dealt with in the midyear review.

Mr P.J. RUNDLE: Would the minister or the CEO be able to detail what the maintenance items are? Is there a list? We are talking about \$14 million in the out year. What might those items involve? Is it the seating? Is it external?

Mr D.A. TEMPLEMAN: The answer to this could be quite lengthy, but I will ask the chief executive officer to respond.

Mr P.J. RUNDLE: It can be a general summary.

Mr D.A. TEMPLEMAN: I would have thought that some of them would be pretty expected, but I will ask the CEO to respond.

Mr D. Etherton: Under the DBFM agreement, the facilities maintenance bit of it is all encompassing and involves every single bit of maintaining that asset. It involves some cleaning and maintenance of the air conditioners, carpets, seats and the roof—everything. Maintenance of every single asset in that building is undertaken under the FM, except a very minor part. As Mia will be able to tell members, a very minor part of the furniture, fixtures and equipment is done by the operator. The FF&E is not done under the DBFM agreement but under the operator’s agreement. The overwhelming majority of every asset that sits in that building is maintained by Westadium under the FM agreement. That is what that refers to. It is a holistic maintenance agreement.

Mr D.A. TEMPLEMAN: The member can be confident that it is on the mark.

Ms M.J. DAVIES: It was a very good deal.

Mr P.J. RUNDLE: I refer to paragraph 2 under “Significant Issues Impacting the Agency” and the economic benefits expected from the FIFA Women’s World Cup.

The CHAIR: Is that page 555?

Mr P.J. RUNDLE: Sorry, chair—page 555 of budget paper No 2, volume 2. What will those economic benefits be, how will they be calculated and how will the actual be measured?

[9.20 pm]

Mr D.A. TEMPLEMAN: As the member is aware, Perth's success as one of the host cities was subject to a bid by Tourism WA. The member's question about the assessment of the economic benefit is, effectively, best directed to the Minister for Tourism, as it was an initiative undertaken by Tourism Western Australia to secure it. The member would be aware that from a capital upgrade benefit the rectangular stadium—it will be called the Perth Rectangular Stadium during the FIFA Women's World Cup—will see some major upgrades to HBF Stadium to ensure that it is up to standard for that international event. That has seen some significant money invested in it to deliver a range of upgrades to the facility's change rooms and player comfort services through to the new screens, new turf and a whole range of other upgrades. They are, of course, legacy items because the facility will become an even better facility for the existing co-demands on it and also, of course, for future programming from both a sporting and cultural perspective. As the member may be aware, Tourism WA has a budget that is allocated for such business with regard to the cost benefit. That line of inquiry is appropriate to the Minister for Tourism.

Ms M.J. DAVIES: I refer to the first sentence on page 555 and the commentary around live events and the impact that COVID has obviously had over the last couple of years. In particular, the financial model for Optus Stadium was reliant on a certain number of events and football and cricket games being held. How is the impact of COVID reflected in the budget? Was that cost just absorbed by the government or is there an ongoing or trailing impact of not having those events generating income as a result of the live concerts not being able to take place?

Mr D.A. TEMPLEMAN: I will ask the director general to respond to that particular part of the question, but one thing that I want to highlight to members is that we are expecting the patronage of VenuesWest—controlled assets to be some seven million patrons. That is in the forward estimates. That is a demonstration of the volume of activity that is filling our venues post COVID. We are now seeing a suite of cultural and sporting events and sporting activities being programmed at our key venues, including Optus Stadium. The fact that more people than ever will be utilising those venues is obviously a tremendous outcome. It also drives employment. Casual staff, for example, are required for an increasing number of events. It will be interesting to see the impact of—I do not know which football team the member supports—the poor showing of one of our football teams for the patronage at home games for the rest of the season.

Ms M.J. DAVIES: It is not my team.

Mr D.J. KELLY: What happens if they just fold the club? What impact will that have?

Ms M.J. DAVIES: That is typical of Eagles supporters—three poor games and they are all out if they are not winning!

Mr D.A. TEMPLEMAN: The member hit a raw nerve!

Ms M.J. DAVIES: Have a bit of staying power!

Mr D.A. TEMPLEMAN: The projection of seven million patrons in attendance is a remarkable turnaround. There is an impact on forgone revenues from empty stadiums because of COVID, remembering that although we had a closed border, we were still able to secure some significant events, including, of course, the AFL grand final in 2020, which was a major coup. We were still able to hold a range of things at our venues, subject to lockdowns and restrictions on the number of people who were able to attend. I will ask the chief executive officer to perhaps respond to the earlier part of the question.

Mr D. Etherton: As the minister said, seven million customers will be a new record if we get there. The record number of visitors in any year is 6.1 million visitors, and that was in 2018–19. We are looking to beat that in 2023–24. In terms of the specific question about the additional cost to government of the COVID era, probably the closest way to link that to the existing budget papers is the line item “Service appropriations” under the heading “Income from government” on page 560. Members can see a line item where the service appropriations dropped in 2021–22 by about \$15 million across the forward estimates. To answer the member's specific question, about \$31 million worth of additional top-up COVID-19 funding was received over the three years affected by COVID-19, in 2019–20, 2020–21 and 2021–22. It went a little like that, obviously, as COVID did, but that is the money we got.

The CHAIR: That does not translate in *Hansard*.

Mr D. Etherton: It does not translate? The additional resources required in those years was quite variable, depending on where we were at in the COVID cycle.

The CHAIR: That did the trick.

Mr P.J. RUNDLE: I refer to the first significant issue impacting the agency on page 555 that the member for Central Wheatbelt brought up. It says —

However, the competition provided by alternative venues at other Australian destinations is significant.

This is a genuine question about Optus Stadium. The patrons can get mid-strength beer, but there are parts of the stadium where some patrons can get full-strength beer. Can the minister explain the logic of only getting mid-strength

beer but right behind the mid-strength beer patrons can buy bourbon, gin and tonic and all those other spirits? How does that translate? Why is full-strength beer not on offer in some places in the stadium?

The CHAIR: Is that a liquor licensing question?

Mr D.A. TEMPLEMAN: It is a policy question. I did not realise that the member for Roe was a member of the temperance movement because I have seen him at places within the stadium that are not subject to the restrictions of lower alcohol beverages. However, my understanding—the chief executive officer might be able to add some clarity—is that the various policies and practices are determined and then implemented, be it tenders for various beverage providers through to restrictions or otherwise on alcohol content, and they are always an interesting item of debate. I understand they are revisited on occasion.

The chief executive officer might want to briefly add his thoughts on this matter.

[9.30 pm]

Mr D. Etherton: As the member is aware, VenuesLive runs Optus Stadium on behalf of VenuesWest. VenuesLive liaises with the liquor licensing regulator to understand the entire volume of alcohol being distributed across the whole stadium and comes up with a plan in terms of the provision of full-strength alcohol in some areas and mid-strength alcohol in others. I might add that Gage Roads Brewing Company has some magnificent mid-strength beers that taste just as good as full-strength beers.

Mr P.J. RUNDLE: It is a genuine question, minister. The logic does not stand up for me when a person can buy only mid-strength beer, yet spirits are available to purchase right next door. That is a genuine question that mystifies me in some ways.

The CHAIR: It is not really a question; it is a statement. We need to move on.

Mr P.J. RUNDLE: I have a new question. I refer to the bottom of page 560 and the line item “Seed Funding — Urban Sports/E-sports”. Can I have some detail on that item, minister?

Mr D.A. TEMPLEMAN: I will ask the chief executive officer to respond, but I want to highlight the emerging importance and opportunities with urban sports and e-sports continues to increase. I do not want Western Australia to be left behind in terms of further investigations about what we should be supporting or encouraging in that space. Melbourne has a couple of different venues that cater for e-sports on quite a reasonable scale. We know that within the broader gaming industry, there is an increasing interest in and support of e-sports. That allocation is to allow for further exploration of what that might mean for Western Australia and to inform us, if you like, of what potential infrastructure we might need to provide. Quite often these places are essentially black boxes that are wired with all the up-to-date technology that allows people to gather and play e-sports in big numbers whilst being connected to players around the world. I have seen a couple of examples of this in Melbourne. Western Australia needs to not ignore that. That \$100 000 has been allocated to further explore the opportunities in that area. The director general might want to add something to that—sorry, I have promoted him. I defer to the chief executive officer.

Mr D. Etherton: During COVID, we had less activity in our venues, so we looked at a number of our longer term strategies, one of which was our targeted sport strategy. In updating that targeted sport strategy, we made it very clear that we need to focus on sports of the future. We need to focus on sports that will get kids involved in the future. In essence, this is a very small amount of money to do some initial investigation, as the minister said, into what facilities might need to be provided for those two areas. It is the way that VenuesWest classified it in our accounts that made it stand out like that.

Ms M.J. DAVIES: I refer to page 560, the bottom of the income statement table and the line item “Surplus/(Deficiency) for the Period”. They are not huge numbers but there is deficiency along that bottom line. Can the minister outline how we have arrived at that position?

Mr D.A. TEMPLEMAN: I am happy to ask the CEO to respond.

Mr D. Etherton: I draw the member’s attention to the top line of page 561 that talks about the current cash assets that VenuesWest has. Although those current cash assets are not all what we call “unrestricted cash”, a portion of those are unrestricted cash. Our capacity as an organisation to absorb those losses in the out years at the moment is there. Those cash assets on the top of page 561 are often things like the money for Coldplay tickets sitting in the bank, but a portion of that is unallocated. Then when we do the budget with Treasury, it has no concerns with giving us a small deficit when we have an unallocated amount of cash to cover it.

The appropriation was recommended.