

Division 37: Western Australian Sports Centre Trust — VenuesWest —

Ms M.M. Quirk, Chair.

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

Mr D. Etherton, Chief Executive Officer.

Mr N. Lucas, Chief Finance Officer.

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

[Witnesses introduced.]

The CHAIR: I give the call to the member for Roe.

Mr P.J. RUNDLE: I refer to page 558, budget paper No 2, “Spending Changes” and the item “National Rugby League Home and Away Perth Series”. When will taxpayers find out how much this proposal will cost?

Mr D.A. TEMPLEMAN: As the member would be aware, various negotiations take place between the government and entities that are of a commercial-in-confidence nature, and this is one of those. That is not just a practice of the current government; the exact same practice was used by the former Liberal–National government. It protects the interests of both the state and entities subject to negotiations.

Mr P.J. RUNDLE: In light of that, the Premier has come out strongly about wanting a Perth team in the National Rugby League. According to Peter V’landys, chairman of the Australian Rugby League Commission, the Premier has been substantially annoying.

The CHAIR: Stick to the line item, member.

Mr P.J. RUNDLE: In light of the Perth home-and-away series to which I alluded, is there something in the forward estimates or in the thinking of the minister and his department about the potential of a Perth team and the expense that might accrue from that?

[9.20 pm]

Mr D.A. TEMPLEMAN: As the member would be well aware—history shows this in other codes—it is important that Western Australia is part of the conversations around national sporting programs and organisations. We will always be interested in promoting the opportunities that Perth offers should a licence be granted in the AFL or other codes, including rugby league. There have been conversations around the machinations of how the NRL operates. It is a highly commercial entity. Its reach is growing but it is not a national competition at the moment because it does not include the biggest state in the country, Western Australia. We will continue to have discussions with Mr V’landys and others involved in the NRL and put the case that Perth should be considered for a team in the future. When those discussions reach a certain point, requests of government for financial and infrastructure commitments will be part of any conversation.

Ultimately, part of the promotion of Perth is to seek to host games. We have had some very successful rounds in Perth; in fact, our crowd numbers exceed a number of the crowds that participate in the home-and-away games on the eastern seaboard. For example, I have been to what is called the Magic Round in Brisbane. There may also be opportunities for Perth to be included in something of that nature in the future. They are subject to negotiation, consideration and conversation.

Would I like to see an NRL team in Perth? Yes, I think that would be desirable. It would be a great addition to the National Rugby League competition. As former Minister Tinley reminds me constantly, it would put the “N” in the NRL. It would be a truly national competition if a Perth-based team was part of the NRL. Mr V’landys, the chairman of the NRL, has made it very clear that it is on an expansion timetable. Where a Perth-based team fits in with those aspirations is probably the discussion point. We believe that we should be seriously considered. There are currently 17 teams, with a twentieth team to come. We think we should be in the mix but we want to go in with a very clear understanding of what that might mean in terms of cost to the state. Obviously, it is a licence issue, so there would be an owner. We would not be the owner but we would be open to negotiation on how we could facilitate a team being considered for Perth. These sorts of events would be commercial-in-confidence because those matters are confidential.

Mr P.J. RUNDLE: I again refer to page 558, and the line item “Sam Kerr Football Centre—Opening and Ongoing Operation”. The estimated actual in 2023–24 was \$4.065 million and now the ongoing operation seems to be around \$2.8 million. Can the minister explain the difference in those figures? What does the amount relating to the ongoing operation actually pay for?

Mr D.A. TEMPLEMAN: Obviously, costs were associated with the preparation and ultimately the opening of the centre, which was a community opening. The Matildas were present. Sam Kerr was present. She was honoured

at the official launch of the centre by it being named in her honour. The initial cost is the reason for that figure in the early part of the table. The ongoing net operational costs amount to approximately \$2.8 million each year. It is important to note that \$1.15 million of that amount is appropriated to depreciation. The net figure for the operation is obviously arrived at through the assessment of what it costs to operate such a state-of-the-art facility and accommodate the presence of Football West. The ongoing programming and activities based at that centre continue to be part of the ongoing management and negotiations with VenuesWest as the managing entity and Football West as the primary tenant. I am confident that for the first time we have a centre for football, and the game will more broadly continue to grow in participation and popularity.

Mr P.J. RUNDLE: On the next page, page 559, are seven paragraphs relating to significant issues impacting the agency. As the minister knows, the Western Australian Sports Centre Trust Bill 2024 was introduced into the wrong house after the Standing Committee on Legislation looked at it. Nonetheless, I assume that it will find its way through the system. Paragraph 7 states —

The Bill will clearly articulate the management of a portfolio of venues and precincts and support long-term sustainability and growth for the organisation. It will also address specific measures to enhance public safety.

Can the minister or the CEO enlighten me on the specific measures that will enhance public safety? I assume that we are talking about Perth Stadium.

Mr D.A. TEMPLEMAN: The first part of the question is about the progression of the bill. I am very hopeful that we will pass the bill in our house during the June sittings. That is my intention. I look forward to the member's support so that we can swiftly pass it and send it to the other place. I expect that we will have that in place and ready for the second half of the year. The legislation will also see a reconstitution of the membership of the board. It will reduce it to seven members down from nine. It also articulates a range of additional responsibilities and/or mechanisms to allow it to operate. It is also fit for purpose, modernised legislation that will allow an important entity like the trust to operate in modern times.

I will not go into specific measures individually because, quite frankly, I will not let anyone put the public at risk by giving details of exactly what they might mean. Security measures include measures that are up to date and based upon the latest intelligence from experts in public safety, so it might include the addition of bollards, CCTV and technology that identifies people who may not be at a game for the purposes of enjoyment. We want to make sure that our venues are benchmarked to the safest in the world. One of the main objectives and charges of VenuesWest is to make sure that all patrons and staff engaged in any of our venues are looked after and are safe.

Mr P.J. RUNDLE: I refer to the line item "Perth Glory and Western Force" under the new initiatives listed near the bottom of page 558. I noticed the amounts over the four years. Page 141 of budget paper No 3 states —

The Government has approved \$2.1 million in financial assistance measures over 2023–24 to 2027–28 to support the continued operation of the Perth Glory Football Club and the Western Force.

Could the minister enlighten us as to what those amounts will cover for those two clubs?

[9.30 pm]

Mr D.A. TEMPLEMAN: I will. I will ask the CEO to give a bit more detail, but, more broadly, obviously we want to see Perth Glory and Western Force succeed. We want them to grow their membership. Part of that effectively relates to, and relies on, their performance on the field so it is important for those franchises to be cognisant of that.

Perth Glory and Western Force are provided access to high-quality facilities. Mainly due to investment by the government through the FIFA Women's World Cup, a number of elements of the stadium in East Perth saw a major upgrade.

The appropriations across the forward estimates reflect the consideration of cost points that both Glory and Force experience and where the Western Australian Sports Centre Trust can assist and work with those two entities to play on the field in the most cost-effective way for them—bearing in mind, of course, that there are costs that need to be acknowledged by VenuesWest.

There has been a lot of negotiation between the government and Perth Glory and Western Force. We want them to succeed, and we have been cognisant of the need to look at ways of supporting them into the future so that they can grow their membership and grow the number of members and/or supporters who go to the grounds for games. I remember the heyday of Glory. For example, we would go down to the stadium and there would be up to 10 000 supporters attending. We want to get back to that. The costs that are required from those entities will be ongoing points of discussion. I want to highlight that VenuesWest has done a lot to work with both Western Force and Glory to reach agreements that deliver their aspirations.

I will ask the director general to make further comments on some of the ways that might have occurred.

Mr D. Etherton: We have licence agreements with both Western Force and Perth Glory for use of the facility on match day and on the Captain's Run day. In essence, three specifics are funded out of that spending. There is a short-term licence fee reduction. That number decreases a little over time. It starts a little higher in the first two years and reduces. There is a desire to have both men's and women's games occurring back-to-back at the venue and so there is a contribution to make that happen. Then we have a program called the revenue initiative fund. We partner with the two clubs to help them promote their game to get more attendees at the venue, which they benefit from and we benefit from. We have increased the revenue initiative fund as part of that funding to try to drive them. I remember the heydays when there were 20 000 people there, minister, and we had 56 000 people for a grand final at Optus Stadium, so there are obviously a lot of fans for Glory and Force out there and we want to make sure they come back.

Mr P.J. RUNDLE: On page 141 of budget paper No 3, under "Asset Maintenance Fund—Venue Maintenance", it states —

Additional expenditure of \$10.9 million over 2024–25 to 2027–28 has been approved to enable VenuesWest to address critical infrastructure issues and increase maintenance efforts across its asset portfolio. This includes structural roof repairs at HBF Stadium, Bendat Basketball Centre and HBF Arena, and the replacement of ageing fire systems at HBF Stadium and HBF Arena.

All three stadiums or arenas require structural roof repairs; is that correct? Secondly, I know basketball is looking for more courts; are there any comments the minister might make on that?

Mr D.A. TEMPLEMAN: I am happy for the CEO to answer.

Mr D. Etherton: I do not have budget paper No 3 in front of me but in budget paper No 2 the asset investment program shows a substantial increase in the moneys being appropriated to VenuesWest. That is detailed on page 558. The fourth-bottom line details \$2.6 million a year in increased ongoing maintenance and the projects that the member was talking about are the sorts of projects that we would fund from that. That is a totally new allocation to us to deal with the ageing portfolio of venues at VenuesWest. It is really welcome new funding to support fixing things such as roofs that are 30 years old in the case of a couple of the ones the member mentioned, and making sure they stand the test of time.

Mr P.J. RUNDLE: This will probably be my last question on this division.

The CHAIR: It is all right. Take your time. We are all philistines; we do not want to hear about arts or heritage! Thank you, member.

Mr P.J. RUNDLE: Minister, in relation to the Optus Stadium loan, I noticed —

The CHAIR: Is that budget paper No 3?

Mr P.J. RUNDLE: I refer to page 558 of budget paper No 2, the third line item from the bottom. We have an increase, obviously, for this budget year. I note that back on page 141 of budget paper No 3, it states —

Following an update to interest rate projections, additional expenditure of \$20.9 million has been approved over 2023–24 to 2027–28 ...

Can the minister enlighten me as to how long the loan is going on for and is there a point at which it has been repaid or how does that sit?

Mr D.A. TEMPLEMAN: I am pleased to report that we have paid over \$100 million off the initial debt of \$422 million. That debt has been paid off. The loan ultimately is subject to a time period of 25 years. The loan arrangement is subject to fluctuations in the interest rate. It is apparent in previous budgets and even in the projected forward estimates that that will go up and down depending on the nature of interest rate settings. That fluctuation is expected to continue. It is a 25-year loan arrangement, and it is pleasing that now \$100 million of that \$422 million has been paid off.

[9.40 pm]

Mr P.J. RUNDLE: I notice that the minister is calling it the Optus Stadium loan through to 2027–28. Can the minister enlighten me on when the agreement wraps up for the naming of the stadium and whether the government is looking to rename it or continue with the current name?

Mr D.A. TEMPLEMAN: I am advised that we believe 2027 was the negotiated completion date for that sponsorship arrangement. I predicate that by saying there may have been a clause or some consideration given during COVID. I am happy to supply that as supplementary information. I have been very generous. I am happy to supply as supplementary information to the member for Roe the details of the Optus Stadium naming rights contract, including when that contract reaches its conclusion.

[*Supplementary Information No B8.*]

The appropriation was recommended.