

**Division 38: Western Australian Sports Centre Trust, \$131 110 000 —**

Mr S.J. Price, Chair.

Dr A.D. Buti, Minister for Sport and Recreation.

Mr D. Etherton, Chief Executive Officer, VenuesWest.

Mr N. Lucas, Chief Financial Officer, VenuesWest.

Mr M. Kavanagh, Senior Policy Adviser, Minister for Sport and Recreation.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by close of business Friday, 1 October 2021. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Roe.

**Mr P.J. RUNDLE:** I refer to paragraph 1.1 under the asset investment program on page 571. It reads —

\$23.5 million to finalise the Optus Stadium construction contract;

What is this dispute related to?

**Dr A.D. BUTI:** I will ask Mr Etherton to comment on this.

**Mr D. Etherton:** In any construction project, particularly one that goes for three years, a multitude of claims relate to the construction program. At the end of it, those claims are settled.

**Mr P.J. RUNDLE:** It looks to me like the taxpayers of Western Australia are on the hook for \$23.5 million because it is obviously a line item in the budget. Is there any ability to negotiate that figure or do we just accept it?

**Dr A.D. BUTI:** As the member would realise, we have to be careful what we say at the moment. Nothing is finalised yet. Negotiations are continuing. I will also add that this is coming out of a contract that was originally signed by a previous government.

**Mr P.J. RUNDLE:** Thank you for enlightening me on that, minister. I also understand that we have been attending football matches there for several years now, so I was slightly surprised when I saw that this was still hanging in the air. What exactly is this related to? What is this \$23.5 million? I know it is about negotiations.

**Dr A.D. BUTI:** I will ask Mr Etherton to answer that.

**Mr D. Etherton:** It is a similar answer to the answer I gave just a minute ago. In a construction project, a variety of different claims are made. The builder will say that we took too long to provide them with the advice they needed to design the venue, or that prices went up and we did not provide them with the advice required. There are myriad claims around almost any construction project, including this one, being the scale and the length it was. I do not propose to go through all the claims. The item sitting in there is just in case money is needed to settle. As the minister said, there has been no final agreement. It is still under negotiation between the state and Westadium. That negotiation is being led by the Department of Finance, but because the asset sits in our account, that potential payment is sitting in our account.

**Mr P.J. RUNDLE:** Is it for a variation at the end, as we get with most building contracts, for any number of different things? Does this pertain to a variation of the contract?

**Dr A.D. BUTI:** Chair, I do not intend to answer this any further. I am sure the member understands the sensitivity of the matters. They have been negotiated and settlement is trying to be made to protect taxpayers' money as much as possible. I do not think that answering this question or going any further is helping the taxpayers of Western Australia.

**Mr P.J. RUNDLE:** To wrap up, I guess, as the member for North West Central said, taxpayers are paying \$23.5 million. Can the minister tell us when he believes the negotiations will be completed?

**Dr A.D. BUTI:** As I said, this contract was signed under the Barnett government. We are dealing with issues arising out of that contract. It will be dealt with and settled when it is dealt with and settled.

**Mr V.A. CATANIA:** I refer to paragraph 1 under significant issues impacting the agency on page 568, which relates to the COVID-19 pandemic that continues to present major challenges globally and to all venues. Given that COVID has had an effect on VenuesWest venues and the state, and given nearly every day we hear the Minister for Health or the Premier say that, whether it be for the construction sector or nurses, ambos or police, it is mandated to have a COVID vaccine, have you, as minister responsible for VenuesWest, had any discussions with the Minister for Health or the Premier to mandate that those attending VenuesWest venues must be vaccinated?

**Dr A.D. BUTI:** The member's question was whether I had had discussions—no.

**Mr V.A. CATANIA:** Has the minister's department or his office had any discussions on the future of whether it will be mandated that people be vaccinated if they want to go to a VenuesWest venue?

**Dr A.D. BUTI:** VenuesWest has had discussions.

**Mr V.A. CATANIA:** Can the minister please elaborate on those discussions? Who was party to the discussions? Has there been a push by the Premier or the Minister for Health to mandate vaccinations if people want to attend VenuesWest venues?

[12.30 pm]

**Dr A.D. BUTI:** Before I hand over to Mr Etherton, the language is inappropriate. It is not mandating; they are conditions. If it were to happen, it would be a condition of entry.

**Mr V.A. CATANIA:** I am happy to change it, minister. As part of the conditions of entry to a VenuesWest venue, is it going to be mandated that people have to be vaccinated?

**Mr D. Etherton:** In essence, about five weeks ago I reached out to both the Chief Health Officer and the Deputy Commissioner of Police and asked whether that was coming—whether mandatory vaccination before entry to our venues was something that was being contemplated. I did not get a reply. I reached out again about a week and a half to two weeks ago and repeated the question, and got the reply that a policy had not been formed yet in relation to that. I replied that when a policy was formed, we would be happy to lead that consultation process with the venues industry in Western Australia, and that we would be well placed to do that. That is the extent of the discussions at the moment: is it coming; and, if so, can we consult with the industry to make sure that it is okay.

**Dr A.D. BUTI:** Obviously, this discussion is also happening at a national level.

**Mr V.A. CATANIA:** As the state government minister responsible for venues, does the minister support vaccination being a condition of entry to a VenuesWest venue?

**Dr A.D. BUTI:** Very good try, member, but where is that question related to a budget item?

**Mr V.A. CATANIA:** It is related to COVID-19 response, significant issues, and off the back of the director of VenuesWest who said that he had reached out to the Minister for Health.

**The CHAIR:** Member, you have asked the question of the minister and VenuesWest about the possibility of a policy containing conditional requirements for entry to some of the venues being discussed. They have responded to that. It is not appropriate to ask for the minister's personal view.

**Mr P.J. RUNDLE:** Has the AFL spoken to the minister at all in relation to next season at Optus Stadium and potential mandatory vaccination?

**Dr A.D. BUTI:** No.

**Mr P.J. RUNDLE:** Has it spoken to the director or has there been an inquiry in relation to that as well, for the 2022 season?

**Dr A.D. BUTI:** On my understanding, no.

**Mr V.A. CATANIA:** Has the minister or his department been in any negotiations on providing the opportunity for people attending a VenuesWest venue to be vaccinated, such as basing a walk-in clinic at, say, Optus Stadium, or other venues? Given the fact that more than 60 000 people are about to attend the grand final, has the minister discussed or been in any negotiations to assist in increasing vaccination rates in the general public by having walk-in clinics based around venues to which large populations are going?

**Dr A.D. BUTI:** I think this came up in another section. That is a matter for the Chief Health Officer and the Vaccine Commander.

**Mr V.A. CATANIA:** Has the minister or the department discussed those options at all?

**Dr A.D. BUTI:** I have not discussed that and, as I said, it is really a matter for the Vaccine Commander.

**Mr P.J. RUNDLE:** I refer to the spending changes table on page 568 and the line item “Optus Stadium Revised Financial Forecast”. Can the minister explain the origin of the amount in brackets, \$25 381 000?

**Dr A.D. BUTI:** With regard to the Optus Stadium revised financial forecast, because of COVID-19-related impacts, we anticipate reductions in expenditure of \$25.4 million and reductions in revenue of \$35 million, requiring an offset of an additional appropriation of \$9.4 million, leaving a minor residual deficit of \$200 000. Impacts arising from COVID-19 have been considered only for 2021–22, which is why those columns are empty. Any continuing impact from the pandemic will require revisions to the forward period beyond 2021–22. That is obviously interesting for VenuesWest. If there is a decrease in revenue because there is less activity, there will be a decrease in costs as well; it will not need to service a venue.

**Mr P.J. RUNDLE:** Will the financial forecast change following the grand final?

**Dr A.D. BUTI:** I think the obvious answer is yes. We only knew about the grand final 21 days ago, or less.

**Mr P.J. RUNDLE:** How much will the grand final cost taxpayers?

**Dr A.D. BUTI:** Can the member tell me where that question relates to a line item?

**Mr P.J. RUNDLE:** It is in relation to running the event and the running of Optus Stadium.

**Dr A.D. BUTI:** It is not actually related to a budget item, but in any case, as has been repeated by the Premier and me, we have not paid a cent for the hosting rights for the AFL grand final. I can assure the member that the event being held at Optus Stadium will return a positive dividend for the state of Western Australia.

**Mr P.J. RUNDLE:** Does the minister know the total cost of the waived fees and charges relating to the stadium for the AFL grand final?

**Dr A.D. BUTI:** I have given the member a lot of latitude here. We are dealing with the budget. We knew only 21 days ago that we would be hosting the grand final, so it is obviously not in this budget and the member cannot refer to a budget item. I am unable to provide that information.

**Mr P.J. RUNDLE:** With regard to the revised forecast, I know that attracting employment has been a challenge for the stadium. Have there been any further successes in gaining employment? Hopefully we will have full employment for the grand final.

**The CHAIR:** Member for Roe, I appreciate the reasoning behind your questioning, but the minister has discretion as to whether he answers or not.

**Dr A.D. BUTI:** I know the member for Roe is very excited about the grand final, and I can understand that. For the weekend of the grand final, 2 600 additional workers will be employed at Optus Stadium. On my understanding, it was oversubscribed—there were people on the waiting list—so there is no problem with getting enough workers for this weekend.

**Mr V.A. CATANIA:** Will the minister be working there on the weekend?

**Dr A.D. BUTI:** I am always working!

**Mr V.A. CATANIA:** Is the minister always a minister?

**The CHAIR:** No, member for North West Central. You do not have the call.

**Mr P.J. RUNDLE:** I refer to page 570 and the line item “Total Cost of Service”, which has gone up substantially. With regard to the \$4.8 million to replace technology infrastructure in ticketing management systems at Optus Stadium, will it be upgraded or replaced in full?

**Dr A.D. BUTI:** I will ask Mr Etherton to respond to this.

**Mr D. Etherton:** That description is actually a lot narrower than what will occur. In essence, the \$4.8 million is being spent on ICT upgrades, including system upgrades at Optus Stadium.

There is a wide variety of information and communications technology requirements, including point of sale, the personal computers they use at their desk, the systems in place for ticketing et cetera. It is a wide variety. The ticketing system is not being changed or replaced.

[12.40 pm]

**Mr P.J. RUNDLE:** Obviously, once again, the stadium has been in play for only two or three short years and this \$4.8 million is to upgrade or replace technology infrastructure, including ticketing management systems. I guess

the question from the average taxpayer would be: why \$5 million when the stadium has been open for only a couple of years? Can we have a bit more of a breakdown of that?

**Dr A.D. BUTI:** I will defer to Mr Etherton.

**Mr D. Etherton:** Technical equipment depreciates substantially faster than buildings. In our accounts, we generally depreciate a building over 40 or 50 years. ICT equipment is generally depreciated over between three and six years. Things like the digital screens might last 10 years, but PCs, servers and things like that have a shelf life of between three and six years. In essence, of that \$4.8 million, the member will see there are smaller amounts—I think \$128 000 in the first year as not much had become old—but the number goes up and down over the years as that equipment reaches its end of life. It will go into myriad things, but I do not have the detail here.

**Mr P.J. RUNDLE:** The total cost of service on that line item has gone up from \$126-odd million in 2020–21 to \$155 million. On that line item, why has the cost of service gone up by \$30-odd million?

**Dr A.D. BUTI:** As I explained before, as the member knows, we had COVID-19, which, of course, resulted in many, many games not being played with crowds and so forth. As the capacity for crowds at venues increases, and the venues are used more, the cost of services increases.

**Mr P.J. RUNDLE:** I refer to paragraph 4 under the spending changes on page 568 where it refers to construction of the rooftop attraction at Optus Stadium. Can the minister enlighten us on how that is panning out? Is it fully in place? How is it going?

**Dr A.D. BUTI:** I am sure the member would love to be up there watching the game this weekend. It is underway; it is a new 42-metre-high viewing platform that will allow fans to walk several metres beyond the edge of the stadium roof. I know the member next to him has a great fear of heights, so he will not be up there!

**Mr V.A. CATANIA:** Not a hope in hell!

**Dr A.D. BUTI:** The new ring pull-shaped platform is set to create one of the world's best stadium viewing experiences. It will be brilliant. It will provide a 360-degree view for visitors. Construction is underway and we look forward to having it available in 2022—the intention is before the start of the 2022 AFL season.

**Mr P.J. RUNDLE:** Can the minister give me a bit of latitude here. Will the zip-line from the bridge be part of that package or will it be outside VenuesWest?

**Dr A.D. BUTI:** That is a Minister for Transport; Minister for Planning issue.

**Mr P.J. RUNDLE:** I think we have nearly come to the end. The big issue I also want to ask about is the HBF Park stadium expenditure for the FIFA Women's World Cup, where we are looking at about \$15 million over the forward estimates. Is the minister confident that will be completed within the time frame? Obviously, there is an urgent issue to do that.

**Dr A.D. BUTI:** It will have to be completed for the 2022–23 FIFA World Cup. Yes, I am confident. It is a great stadium now. These will be good improvements and I look forward to hosting a few great World Cup games here in Perth.

**Mr V.A. CATANIA:** Is it the nib Stadium?

**Dr A.D. BUTI:** It is HBF Park.

**Mr V.A. CATANIA:** Does Perth Glory play at HBF Park?

**Dr A.D. BUTI:** It is HBF Park.

**Mr V.A. CATANIA:** It is a long time since I have been there. Will it be used for any of the Women's World Cup games?

**Dr A.D. BUTI:** That is where it will be; it is what we were just talking about.

**Mr V.A. CATANIA:** Sorry; I am getting confused with HBF Stadium.

**Mr P.J. RUNDLE:** I refer to paragraph 1.5 on page 571 where it says, "\$3.6 million on security infrastructure initiatives at Optus Stadium, HBF Park and RAC Arena." Can the minister enlighten us on what they pertain to?

**Dr A.D. BUTI:** I will hand over to Mr Etherton.

**Mr D. Etherton:** The majority of that funding has been put towards hostile vehicle mitigation measures. We do not propose to go into much further detail than that for security reasons.

**The appropriation was recommended.**