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**ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE**  
**QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION**



**Tuesday 11 November 2014**

**Department of VenuesWest**

*Question No 1: Hon D West asked in reference to page 8 of the Annual Report and the Support of High Performance Sport and Community section and note that VenuesWest directly subsidised sporting and community bodies at a cost of \$2.9 million last year, and ask*

- (a) *How much was provided in subsidy to:*
- i. Perth Glory*
  - ii. Perth Wildcats*
  - iii. Rugby WA*
  - iv. West Perth Football Club*

Answer:

- (a) Office rent subsidies and Licence Agreement subsidies for the four bodies requested are listed below:
- (i) \$6,760.00
  - (ii) \$93,300.24
  - (iii) \$894,916.97
  - (iv) \$66,395.36

*Question No 2: Hon D West asked in reference to page 10 of the Annual Report and the Chairman's message, which says that the State Government has approved VenuesWest as the manager of nib Stadium for two years after Allia Venue Management terminated its contract, and ask*

- (a) *How has the business model for the management of nib Stadium changed as a result of this?*
- (b) *Are there any additional costs to the State Government and, if so, what are they?*
- (c) *Why has VenuesWest only been appointed manager for two years? What will happen with the contract in two years' time?*

Answer:

- (a) In light of the short transition time (six months) to take over operation of the Stadium, the VenuesWest Board has determined that the first 12 months of operation will be focussed on maintaining business as usual to the extent possible whilst establishing what business model best suits the venue into the future.

- (b) Funding for the operation of the venue is generated from the venue itself. The only additional costs incurred were staff costs, and legal and commercial advice required to smoothly transition both contracts and management.
- (c) The Board of VenuesWest and the Minister determined that direct management by VenuesWest for an interim period of two years was the only acceptable option whilst a long term management solution was determined, and based on past knowledge of the known period it takes for a procurement process to engage an operator.

*Question No 3: Hon D West asked in reference to page 60 of the Annual Report and the contracts line item, and ask*

- (a) *What is the reason for the increased expenditure on contracts, up from \$3.83m in 2013 to \$9.83m in 2014?*

Answer:

- (a) The increase in expenditure on contracts relates to recognition of an expense of \$8 million in 2013-14 for a one off compensation payment to Allia Venue Management in regard to finalisation of their contract for the management of nib Stadium. This will be paid in the 2014-15 year, but is recognised as an expense in 2013-14 due to timing of the execution of the right to finalise the agreement

*Question No 4: Hon D West asked in reference to page 61 of the Annual Report and the user charges and fees line item, and ask*

- (a) *Could you please explain the realignment of income in 2012-13 from other revenue to user charges of \$5,238?*
- (b) *Why was this change implemented?*

Answer:

- (a) Revenues relating to returns from partner-managed venues were re-aligned from Other Revenue to User Charges and fees to more accurately align the revenue source with the correct line item in the financial statements.
- (b) This type of revenue is part of VenuesWest's core business as a venue owner partnering with venue managers. This revenue item is more appropriately reflected as a 'User charges and fees' than as an 'Other revenue' line item.

