

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**ONGOING BUDGET ESTIMATES HEARINGS 2010–11**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 28 JUNE 2010**

**SESSION ONE**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 2.07 pm****DIDCOE, MR ROBBIE****Director, Facilities and Camps, Department of Sport and Recreation,  
sworn and examined:****ALEXANDER, MR RONALD****Director General, Department of Sport and Recreation,  
sworn and examined:****ROSIELLE, MR DAMIAN****Chief Finance Officer, Department of Sport and Recreation,  
sworn and examined:****WATT, MR ALEXANDER****Director, Business Management, Department of Sport and Recreation,  
sworn and examined:**

**The CHAIR:** On behalf of the committee, I welcome you to the meeting this afternoon. Before we commence, I am required to ask you to either take an oath or an affirmation.

[Witnesses took the oath.]

**The CHAIR:** You will have all signed a document entitled “Information for Witnesses”. Have you read and understood this document?

**The Witnesses:** Yes.

**The CHAIR:** The proceedings this afternoon are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document that you may refer to during the course of the hearing. Please be aware of the microphones and try to speak directly into them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that your evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that the unreported transcript should not be published or disclosed. This prohibition does not, however, prevent you from discussing your public evidence generally once you leave the hearing.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia and we value your assistance this afternoon.

Members, if you could assist Hansard by referring to particular budget statement volumes or the consolidated fund estimates giving a page number, item and program in preface to your questions, that will be most useful.

**Hon KEN TRAVERS:** My first question is, I guess, where in the budget papers the state sporting infrastructure fund appears. I assume that it comes under service 1 “Infrastructure and Organisational Development”. I wondered: How much money is allocated to that fund each year? How much is allocated for the 2010–11 financial year and what is it allocated to?

**Mr Didcoe:** The appropriation up until this year has been \$4 million per year. I am just trying to find the list of projects, bear with me.

**Hon KEN TRAVERS:** I do not see it appearing as a specific line item anywhere in the budget. If it does, you can point me to it.

**Mr Didcoe:** I think you are correct.

**Mr Watt:** If I could assist?

**Hon KEN TRAVERS:** Yes.

**Mr Watt:** On page 511 under the table titled “Details of Controlled Grants and Subsidies” there is a listing of the various controlled grants and subsidies. That infrastructure fund is part of the “Sports Financial Grants” figure. So the budget estimate of \$6.98 million for 2010–11 includes the figure of \$3.4 million for the SSIF.

**Hon KEN TRAVERS:** So that is the new money allocated for 2010–11?

**Mr Watt:** Yes, it is recurrent money. There is a budget phase for three and it was four.

**Hon KEN TRAVERS:** Are we able to get—I am happy for it to be taken on notice—a reconciliation of how much money has gone into that account? I assume a number of the projects go over a number of years, so is it possible to get some sort of reconciliation of the money that has gone into that? I do not know that it has actually been established for that long—has it—as a separate fund?

**Mr Alexander:** It started off with \$3 million and it actually started —

**Mr Didcoe:** Around 2003.

**Hon KEN TRAVERS:** Is it possible to get sort of a breakdown of how much money has gone into it since it was created and what it has been spent on? Has all of the money for 2010–11 been allocated or is it still subject to —

**Mr Alexander:** The amount of \$3 million, now \$4 million, was originally put in there because there was always an amount during the year for some seating for baseball or whatever it might be for \$400 000 that they did not necessarily want to go back through the Treasury process for, so that was allocated to the minister. So there is a range of generally medium-sized projects that that has picked up, so we can certainly go back and come up with that.

*[Supplementary Information No A1.]*

[2:13 pm]

**Hon KEN TRAVERS:** I would imagine the line item “Detail of Controlled Grants and Subsidies” on page 511 includes money that has been agreed to in the past but that will be paid out in the 2010–11 financial year.

**Mr Rosielle:** Yes, that is correct; it includes the money. It also includes all the department’s grants. That money is allocated in one year and may be paid in a future year.

**Mr Alexander:** A similar thing occurs with the CSRFF program.

**Hon KEN TRAVERS:** Yes. Could we get reconciliation about how much of that money is already allocated? I think some of it is already allocated to the sporting car club for the Wanneroo racetrack for the 2010–11 financial year. Is that correct?

**Mr Didcoe:** Yes.

**Mr Alexander:** I think it is \$3.2 million.

**Hon KEN TRAVERS:** Yes; it is something in that order. If we could get reconciliation from since it was established, including how much money has gone in, what it has been spent on, and how much is still to be allocated of the \$3.4 million for the 2010–11 financial year. Did we want to allocate a supplementary information number to that?

**The CHAIR:** We said supplementary information A1.

**Hon KEN TRAVERS:** All right. That brings me to the CSRFF grants. In the past, I know that there was a grant funding allocation each year and that every couple of years you would actually spend more than was budgeted, or than you had a consolidated revenue allocation for, because of unspent revenue from previous years. Is it still the case—I think this year you will get \$25 million allocated—that unspent money from previous years will be added to and reallocated on top of that, because for one reason or another previous projects have not preceded?

**Mr Didcoe:** That is correct.

**Mr Alexander:** We did something similar this year. I think that \$14 million was available and we allocated \$15 million.

**Hon KEN TRAVERS:** Right.

**Mr Didcoe:** There are two reasons that that occurs; one is the project savings made along the way that we can return to future projects, and the other, as you have mentioned, is the projects that do not proceed.

**Hon KEN TRAVERS:** All right. I know the department runs a number of different smaller programs. Is there a consolidated list of each of those and how much is allocated to them? For example, the one that has the cultural and linguistically diverse—I am trying to think of the name of it; I had it here minute ago.

**Mr Alexander:** Culturally and linguistically disadvantaged.

**Hon KEN TRAVERS:** Yes.

**Mr Alexander:** That incorporates a whole range of projects such as the Northbridge strategy, where we are doing some work in Midland and Armadale and Mirrabooka. We have allocations against all of those—largely, yes.

**Hon KEN TRAVERS:** Is it possible to get a breakdown of each of the different funds or programs that you have and how much is allocated to each of them?

**Mr Alexander:** Yes.

**Hon KEN TRAVERS:** You are an agency that has quite a vast array of different programs and state sporting organisations and all of the different programs that you run. How much was notionally allocated? How much was in the 2009–10 financial year and how much is allocated for the 2010–11 financial year?

**The CHAIR:** Can I just clarify: Ken are you seeking information in terms of all or just —

**Hon KEN TRAVERS:** No, no; this is across the whole budget and the different programs that community groups, sporting clubs and others can apply for; that is, the different programs that the department operates. You have the big headings for lotteries money, but within that there are a range of subprograms.

**Mr Alexander:** Yes, we have; there is all manner of things—country package amounts allocated to each regional office to spend for the social good and those sorts of things.

**Hon KEN TRAVERS:** And the country sport enrichment scheme would be another one. It was just if there was an easy to obtain list for all of them about how much was allocated in 2009–10 and how much in the 2010–11 financial year.

**Mr Watt:** If I just get some clarification: is that just for grants or are we looking at the whole budget? We have operational plans for the entire department and it breaks up every penny. But we have the grants which —

**Hon KEN TRAVERS:** Don't tempt me! If the other stuff is easy to do, I would be interested to have it. However, I guess that I am more interested in that information that I guess the community

would be more interested in; that is, what money is available for the community and state sporting organisations and the like can access.

**Mr Alexander:** With the different funds—yes. I think you are right. Sometimes people are not sure of all the different things that you do. We are happy to do that and we can do that.

**Hon KEN TRAVERS:** Yes.

*[Supplementary Information No A2.]*

**Hon LJILJANNA RAVLICH:** The point made by Mr Watt indicates to me that you already have spreadsheets about how much is allocated under each program and the break-up of who gets what. I am wondering, if that information is available, whether the committee can have access to that information. It would provide us with the level of detail so that we could have a look at where the money or the priorities really are. Can we take that on notice?

**Mr Watt:** Yes; absolutely. We have A to Zs and we can break it up. We can aggregate it up into various areas. We have come along with the figures for 2009–10, but we can add in the 2010–11 figures.

**Hon LJILJANNA RAVLICH:** Excellent; thank you very much, Mr Watt.

**The CHAIR:** I understand that that information would be incorporated into supplementary information A2.

[2.20 pm]

**Hon KEN TRAVERS:** On page 507 is the satisfaction rating of the agency's consultation advice to clients. Your budget target for 2009–10 was 95 per cent and your estimated actual is going to be 90 per cent, and you have reduced your budget target to that 90 per cent. Likewise, with the satisfaction rating for camps, you were achieving 93 per cent and it is now down to 85 per cent. I was wondering if you could just explain for both those areas, first, why you have reduced your target and, secondly, for the second one, have you been able to work out why there has been a reduction in the satisfaction rating of camps management and service delivery.

**Mr Watt:** We have actually changed the survey tool that we will be using to get customer feedback. Because of those particular changes, the person who devised the survey tool for us advised that there would be some change in the statistical responses and, as a consequence of that, we are expecting a small variation of five per cent. It is not as a consequence of an error rate, but it is just that we expect that it will change slightly based on past survey results. Ninety per cent is seen as not a material adjustment but a marginal adjustment.

**Mr Alexander:** On the camps, there was a query about competitive neutrality with the government running camps, and so our prices were lifted quite significantly, particularly for non-school groups and return clientele, and they have been dissatisfied with that price increase.

**Hon KEN TRAVERS:** When did that occur—in the 2009–10 financial year?

**Mr Alexander:** Yes.

**Hon KEN TRAVERS:** What was the order of the price increase?

**Mr Didcoe:** For school groups it was fairly consistent with CPI, but some of the others were, as I recall, up to around 25 per cent.

**Hon KEN TRAVERS:** Have you got a list of the fees before and after those increases and are they likely to increase in the 2010–11 financial year?

**Mr Didcoe:** In regard to the first part, not with me but we certainly have a list. In regards to the second part, towards the end of the year, at the midyear review, we will go through that process of reviewing the fees and charges. It is not often that prices go backwards. One of the factors that affects the fees and charges calculation is the value of the camps and depreciation, and we are in the

process of having the camps revalued at the moment. That would be the only factor that would cause them to have a downward trend.

**Hon KEN TRAVERS:** In terms of your budget, is there any fee increase factored into the budget for 2010–11?

**Mr Didcoe:** No, because we moved the period, so it actually started at the beginning of the year. What is in train now will remain in train.

**Hon KEN TRAVERS:** So the 2010–11 budget is based on the current fees?

**Mr Didcoe:** Correct.

**Hon KEN TRAVERS:** If we could get that list of the fee increases as supplementary.

*[Supplementary Information No A3.]*

**Hon PHILIP GARDINER:** At page 506 under “Service Summary”, item 1 is “Infrastructure and Organisational Development”. Am I correct in the understanding that where the major stadia have a maintenance shortfall, that is picked up by Sport and Recreation? Am I correct in that understanding?

**Mr Alexander:** No. We do not pick up any of the costs of Subiaco Oval.

**Hon PHILIP GARDINER:** As I recall this time last year, you mentioned that there was an amount they were meant to put aside for, I thought, maintenance but they did not ever achieve it. Do you recall that part of the conversation at this time last year?

**Mr Didcoe:** I imagine that you are referring to life-cycle cost provision.

**Hon PHILIP GARDINER:** Yes, that might be it.

**Mr Didcoe:** Generally, under the government strategic asset management framework, it is around one and a half per cent of capital cost.

**Hon PHILIP GARDINER:** Yes, it was something like that. Does that life cycle come under your budget at all or is that just particular stadium by stadium?

**Mr Didcoe:** That is correct, and it would be appropriated to the agency that would operate that venue.

**Mr Alexander:** Yes, but we do not operate the venue.

**Hon PHILIP GARDINER:** But you do not operate the venue. Which agency does operate the venue?

**Mr Alexander:** The WA Football Commission. It has been ceded to them and so what maintenance they do and what they put aside is up to them. It is not controlled by government. In fact, I do not see many organisations that actually put aside 1.5 per cent of capital cost. Certainly, sometimes they are not able to.

**Hon PHILIP GARDINER:** No. I think that came out last year in the case with the stadiums; they were not able to either. I guess that what that means is that the renewal of the stadia has got to really come from a fresh batch of funding. So there is no amortisation, if you like, of any current building.

**Mr Alexander:** What Treasury requires of us now is that we make allowance for that; that is, it is a government subsidy. If we are working through, for example, a basketball stadium then we will work out what the life-cycle maintenance costs would be and, if they are not asking the sport to put them aside, they will still calculate the amount of dollars that you would put aside and they put that down as a government subsidy, if you like, so that it is recorded.

**Hon PHILIP GARDINER:** One of the reasons I ask is to try to get some sort of overall measure of the government’s subsidies. Sport is very important—we all understand that—to the community and to the youth and to everything else. But there are a number of priorities in government for

different expenditure over a whole host of different areas. I was just trying to get an idea so that I can work out later on what the amount of subsidy is to sport. That comes really outside your umbrella. It is to the stadia.

**Mr Alexander:** That particular one does, but a lot of the others do not, particularly the ones managed by VenuesWest. So, you go through and you look at the 1.5 per cent, and you can put that against jails and you can put that against how much it costs for each prisoner, and you can put it against libraries and all of those sorts of things. It is something that you could do right throughout the community.

**Hon KEN TRAVERS:** Just on that, I know you did the GHD report about Subiaco stadium and there were some issues raised around it. Is that something that the department then follows up on or have you just provided that report to the football commission and it is now their responsibility to implement it?

**Mr Alexander:** My understanding is that we provided it to Subiaco council and also to the WA Football Commission, so it is their responsibility through Subiaco to follow it up.

**Hon KEN TRAVERS:** Subiaco council is the owner or the lessee.

**Mr Alexander:** Correct.

**Hon KEN TRAVERS:** Are you able to identify—we touched on it with the camps—any activities or programs that are due or planned to be contracted out or privatised over the next 12 months as part of this budget?

**Mr Alexander:** No, not that we are aware of.

**The CHAIR:** I do not think it was a trick question!

**Hon KEN TRAVERS:** Just checking! Are you able to provide a list of all fees and charges in the portfolio where they have increased by more than the inflation rate that the budget is based upon? I think the inflation is two point something per cent. Are there any other fees and charges that you have within your agency that will increase, with the exception of the camps because we have already talked about them? I am happy for that to be taken on notice if that makes it easier.

[2.30 pm]

**Mr Alexander:** I think the answer is no. I will take it on notice and if it is not no, I will come back.

[*Supplementary Information No A4.*]

**Mr Alexander:** Other than the department's own budget, of course.

**Hon LIZ BEHJAT:** I refer to the asset investment program on page 509. Under "Works in Progress" is the line item "ME Bank Stadium". I think it has a different name now. Is it NIB Stadium?

**Hon KEN TRAVERS:** Not until 1 July.

**Hon LIZ BEHJAT:** There is \$2.3 million set aside for planning for 2010–11. Could you expand on what that will incorporate? Has there been some pre-determined outcome as to what sort of stadium will be built or will this be the scoping money and will there be some consultation as to exactly what happens there? Could you talk me through it?

**Mr Alexander :** I will have first go at it and then pass over to Mr Didcoe. We have used some of the money. We have done a pre-feasibility study like a scoping exercise through WT Partnership, the quantity surveyors who worked on the MCG when it was doing that work, together with Populous architects. That is how we came up with \$82.5 million to start up. Our basic way from here is we complete a master plan and determine stage 1. That includes procurement methodology. We should have that done by mid-October. Then a design process goes from November 2010 through to November 2011. A statutory planning process starts in conjunction with the design

process around November and will go through to 2012. Construction and tender is set down for April 2012 through to June 2012. We would like the construction period to start around June. Worst-case scenario is taking that exercise through to February 2014. As far as whether we have pre-determined what we are doing, largely the extent is the eastern stand. Some planning has been done previously, which the government subsidised or financed the Town of Vincent to do, which was the eastern stand. There are issues as to whether there will be corporate boxes, will there be change rooms underneath and will the \$80 million do some tidying up in some of the other areas, not just the eastern stand? That will be part of the process in conjunction with steering groups with all the users.

**Hon LIZ BEHJAT:** Has no decision been made at this stage about corporate boxes on that eastern stand and change rooms? Is it a blank page as far as you are concerned?

**Mr Didcoe:** Yes.

**Hon LJILJANNA RAVLICH:** Mr Alexander, can you direct me to where that \$80 million is in the forward estimates of the budget?

**Hon LIZ BEHJAT:** It is on the same page—509—under “New Works”.

**Hon LJILJANNA RAVLICH:** That is fine. I just could not find it.

**Hon KEN TRAVERS:** Now that we are talking about ME Bank Stadium, is there still a plan for it to be part of a Skilled Park-type redevelopment, so that after stage 1 you will redevelop the remaining three sides of the venue to a complete new arena or is it just intended to do stage 1 at this stage?

**Mr Alexander:** The intent is to plan for a complete development. Loosely, Skilled Park is a model. There is money in the budget for only stage 1 currently.

**Hon KEN TRAVERS:** In terms of issues like corporate boxes and change rooms and what have you, they are some of the issues that are quite problematic at the moment, particularly the change rooms and the quality of the change rooms. I would have thought things like that would significantly change your estimated value of stage 1. On what basis was the \$80 million calculated and what are your plans if they are not part of that stage 1 development?

**Mr Didcoe:** That is a good point. We did provide for change rooms, should they be required. Early indications from the sports clearly are that that would be preferable, corporate boxes not so much so. Both codes recognise that the western side is the best viewing side. The challenge that we put to the people working on it at the moment is to look at whether we could provide some temporary corporates on that east side with some innovative solutions, given that that is the best money maker for them. We are confident that we can cover the change rooms with the budget that is there at the moment.

**Hon KEN TRAVERS:** I would have thought some function rooms could be used for corporates at the moment and then could be converted. Plenty of museums and halls of fame are floating around that would like to have some space. They would like to go there in the redevelopment stage but, at the very least, if they were lined up, that space could be multipurpose.

**Mr Alexander:** I can give you an example. Rugby union is particularly keen to have a big function room where you can go and have a beer. Currently, they have a large tent out the back, which works, so we are looking at those options. The conundrum is trying to build something that will serve the present day yet when we complete the whole stadium, we then have not built all the corporates and other things on the eastern side, which cops all the sun. People would be quick to say that most of the games are played at night but things change in our community and a lot of people want to start their matches at four o'clock and earlier when the sun is directly in their eyes across the other side. We are trying to get something for the present knowing that when we finish the whole thing, we want the major facilities on the western side. It is what we are working through.



**Hon KEN TRAVERS:** The new rectangular stadium in Victoria has corporate boxes on one side and a huge corporate function centre on the other. I am not sure of the orientation but I assume it would be the same as ours because my recollection is that the orientation of Perth Oval is the preferred orientation for rectangular fields.

**Mr Alexander:** It is.

**Hon KEN TRAVERS:** The only difference would be which side the sun sets on.

**Mr Alexander:** They like to have their main stands on the east.

**Hon KEN TRAVERS:** On one side they have a huge function hall and you go out and have dedicated seats allocated to it and separate function areas on the other side. I would have thought that if your plan is to go with a Skilled Park, you will effectively end up with something similar to the rectangular stadium in Victoria.

**Mr Alexander:** That is part of the planning process. It is hard to achieve everything that everyone wants because it just does not work if we put all the facilities in the eastern stand and when the time comes to build the western stand, you have the same facilities there. We are trying to get a balance.

**Hon LJILJANNA RAVLICH:** From what you have already said, Mr Alexander, you are expecting construction on ME Bank Stadium to start in 2012. I understand that that timetable is contingent on the government reaching an agreement with the Town of Vincent on the future ownership of that facility. Firstly, could you give the committee a bit of an outline of the issue in relation to ownership and perhaps other options that are being explored. Secondly, could you update the committee on where we are in terms of securing an agreement with the Town of Vincent in relation to this whole issue?

**Mr Alexander:** Certainly. We have had ongoing negotiations and have got together with the valuers to try to come up with a lease fee and a buy fee. We have done that to that stage now, and Nick Catania and I are meeting to look at the lease fee. I am going back to my minister, Terry Waldron, with a suggestion of the offer that the state now might put to the Town of Vincent.

[2.40 pm]

**Hon LJILJANNA RAVLICH:** Could you provide the committee with what is the lease fee that is currently under consideration and what is the purchase price, depending on which way you go?

**Mr Alexander:** I can do that in camera.

**Hon LJILJANNA RAVLICH:** Yes.

**The CHAIR:** Do you want to take that in private?

**Hon LJILJANNA RAVLICH:** Yes; I am happy to.

**The CHAIR:** For convenience, we might wait until the end of the hearing. We will make a note to come back to that at the end of the session.

**Mr Alexander:** Sure.

**The CHAIR:** Anything further on that?

**Hon LJILJANNA RAVLICH:** The whole lot can be taken in camera later, or do you want to provide the other information to the committee in terms of where you are vis-à-vis the negotiations?

**Mr Alexander:** The negotiations are still backwards and forwards, and we are current sitting down with our minister to determine what the government's offer to the Town of Vincent might be. That has not been determined yet. We have got what the Town of Vincent has come up with and we have got what our valuers have come up with, but we have not yet determined what the state's offer to the Town of Vincent—given all that information—will be.

**Hon KEN TRAVERS:** Following on from that: is it still a requirement of the state that the stadium be handed over without any existing management contracts? Is that still a requirement of the negotiations, or can it be handed over with the existing management contract for the stadium as part of it? If it is still a requirement, whose responsibility is it to buy out the existing management contract on the stadium?

**Mr Alexander:** The simple answer to that, which I suppose is not a simple answer, is that that is part of the negotiations. We would like it to be easy and hand it over without any encumbrances or other people necessarily having leased management rights and those sorts of things. But that is part of the negotiation, and that then becomes part of the lease—part of how much are you going to pay if it comes with some encumbrances or if it comes without encumbrances; those sort of things. That has not been determined yet because it is part of the negotiation.

**Hon KEN TRAVERS:** Would it not just be simpler to fund the Town of Vincent then to do the redevelopment?

**Mr Alexander:** Not necessarily, because the Town of Vincent has 24 000 ratepayers, and to fund them to take a risk of that magnitude without actually having control of it under the state, I think, would be something that perhaps the 24 000 ratepayers of the Town of Vincent—if they were in full knowledge of the risks—may not be interested in. We certainly believe that with a major stadium, it is a role of the state government not of local government.

**Hon KEN TRAVERS:** I would have thought that is a question for the local government to decide.

**The CHAIR:** That reminds me of a debate about a previous local government—that tussle in the Town of Cambridge.

**Hon KEN TRAVERS:** Have any consultancy contracts been let for the redevelopment of the stadium at this stage?

**Mr Didcoe:** Yes, there have. Through Building Management and Works we have appointed a lead architectural consultant—Jones Coulter Young. We have also brought on board the expertise of the consultants who worked on the major stadia project—Populous—as a sports planner to support Jones Coulter Young; KPMG and WT Partnership are the costs planner; and GHD has been appointed by Building Management and Works as its project coordinator.

**Hon KEN TRAVERS:** Do each of those contracts have a fixed value to them, or are they on an hourly rate?

**Mr Didcoe:** At this stage there is an upper limit on those. I can provide that information if you would like that.

**Hon KEN TRAVERS:** Yes

**The CHAIR:** I assume that will be supplementary information, unless you have it there.

**Mr Didcoe:** I can give you the figures: Jones Coulter Young was \$50 000; Populous, \$150 000; KPMG, \$150 000; WT Partnership, \$20 000; and GHD, \$50 000.

**Hon KEN TRAVERS:** Is the department doing any work with WAIS on developing a high-performance centre at Challenge Stadium?

**Mr Alexander:** Sorry?

**Hon KEN TRAVERS:** I am asking if any money is allocated anywhere in the budget or if there are any staff working on doing a sort of—WAIS had a proposal some years ago for a high-performance centre at Challenge Stadium, and I was wondering if there is any money allocated in the budget for that, or if there is any work being done by staff on developing that proposal.

**Mr Didcoe:** There was a business case developed for the WAIS facility. We are currently talking to WAIS about that business case and whether any of the information in it needs to be updated prior to submitting it as part of the next budget process.

**Hon PHILIP GARDINER:** Back to this 1.5 per cent again. I presume that that is in the agreement with the other stadia as a result of the negotiations that you had carried out or the Department of Sport and Recreation had carried out with them? Am I correct in that or not? I will tell you where I am going.

**Mr Didcoe:** Yes.

**Hon PHILIP GARDINER:** I know that the 1.5 per cent is not being kept up, as I think, Ron, you described, and you are suggesting that it is an exceptional number anyway. You are not anticipating doing the same thing with ME Bank Stadium, are you—including something like that in the negotiation?

**Mr Alexander:** When you are finally working out who is going to operate it and all of those sorts of things: who is going to take the profit from it; how much the sports, when they play there, for example, are going to pay; how much of the gate that they take, all of those sorts of things, you need to factor in all costs and then what is the government then going to forgo. Some of it becomes how much you are going to subsidise. That becomes a matter for negotiation for the government of the day as to what deal they want to do. That then sometimes becomes problematical when you have a third-party operator, because stadia are not particularly money-making ventures, if you like—the costs to run them are quite high. For the sports to make some money from them, for a third-party operator to make some money from them, and the government to not to have to pick up too big a bill for costs and maintenance becomes an issue.

**Hon PHILIP GARDINER:** I guess what I come back to, though, is that to have something in there—maybe it is not contractual for the stadium management to achieve but it gets close to it—it is a fiction for the reasons you have just stated. It just worries me, having something fictional and then you have these arrangements of that kind, when it is to do with financial amortisation, if you like, or generation for the stadium.

**Mr Alexander:** The example is the basketball stadium—the WA State Basketball Centre—we work out what the lifecycle maintenance costs will be and then that is put down and written out as a community service obligation. It is not necessarily charged back to the sport, but it is recorded as part of the costs.

**Hon PHILIP GARDINER:** Where is that recorded, then, Ron? Is it in your particular financial statements, or is it in that of another department?

**Mr Alexander:** It is in VenuesWest and Treasury.

**Hon PHILIP GARDINER:** Because what brings it home to mind is that public transport is, as you know, subsidised to the extent of 80 per cent because if we raised it to reflect true pricing for public transport, fewer, fewer and fewer people would be able to afford it. I guess it is the same kind of thing we are getting to in this 1.5 per cent; if it was that it was met, you would have to raise the stadia entry prices to a point where you would stop the customers going in there. That is the issue, is it not?

**Mr Alexander:** Yes.

**Hon PHILIP GARDINER:** So we are making a direct subsidy, really.

[2.50 pm]

**Mr Alexander:** In many respects it is new because in the past it has not actually been asked for. People recognise that that actually happens. In many parts of our community now, people are being asked to pay where they have not paid before. An example is parks, where you have sometimes a one-person operator who is taking personal training. That person now, in various parts of our

community, has been asked to pay \$17 an hour for that. In some cases it does not make it viable. At a time when we are asking people to be more active, we think some of those sorts of things are counterproductive.

**Hon PHILIP GARDINER:** In ME Bank Stadium, will there be a reference to 1.5 per cent or to this means of recouping the costs over a period of time; or is that going to be negotiated on a realistic basis that it is not going to be there?

**Mr Alexander:** If the state is successful in leasing it, it would be similar to what is happening out of basketball at the moment.

**Hon PHILIP GARDINER:** That is where it goes into the—how do you put the term—“community”?

**Mr Alexander:** Service obligation.

**Hon KEN TRAVERS:** If we can turn to page 512 of the budget papers, under “Current Assets” it has got you listed for this financial year as only having \$4 000 in cash assets at 30 June, and likewise for the next two years before it starts to grow again. Last year you had \$692 000, and, before that, \$5.6 million. Is \$4 000 sufficient for your operating purposes at the end of the financial year?

**Mr Rosielle:** Four thousand dollars basically represents—the government funds us by appropriation. We are expected to spend that in the calendar year it is appropriated. We have two types of cash—we have the \$4 000 operating, we also have restricted cash. That is forecast to be \$7 million in 2010–11, which includes things like our sports lotteries account and CSRFF payments. Treasury expects us to spend the appropriation the year in which it is appropriated. That is not always realistic. A number of our facility projects get carried over from year to year. Even though we are expecting to spend that within the budget, in reality there is likely to be additional cash in the budget at the end of the year. That is why we had \$5.6 million in cash at the end of last year.

**Hon KEN TRAVERS:** With accrual accounting, most agencies I have seen come before us need effectively working capital to manage their day-to-day expenditure because you cannot be sure on what particular day you are going to accrue. I would have thought \$4 000 is getting very close to the line. I am not suggesting you would be anything like the health department, but we had the circumstances last year in which the health department was expecting to have significantly more than \$4 000 left in its account and it still found that to balance its operational expenditure on a daily basis it was—the health department is talking about millions. I would have thought even for an agency of your size, \$4 000 is all you have left in the bank and does not allow you much margin for error.

**Mr Rosielle:** No, it does not. With the cuts to the budget and lack of growth over the last year, we have not received any additional funds. We do our budgeting every year. The operational plans that are done by the divisions indicate that they tell us what is required for the coming year. That basically meets the appropriation that Treasury provides us. Even though \$4 000 does not seem a lot—it is very negligible—but the budget position of the department indicates the appropriation we will receive basically we will spend. It is also complicated by the fact that Treasury generally do not like us to carry over any additional funds. Carryovers are sort of not approved. There are exceptions to that of course, but the department aims to spend the appropriation it receives each year.

**Hon KEN TRAVERS:** If we were still operating on the old cash days maybe it would make sense, but not on an accrual accounting basis. What mechanisms do you have in place to ensure that restricted money that is allocated for restricted cash is not used to fund ongoing operations if you get too close at the end of the financial year? In fact you might be doing that now—actually having to juggle the books to make sure you do not exceed your expenditure for this financial year. What

sorts of mechanisms and activities are you engaged in at the moment to ensure that you come in without exceeding your expenditure?

**Mr Rosielle:** We review the financial position of the department on pretty much a daily basis. The financial systems allow us to monitor the cash position of the department pretty much daily. We report that to the executive on a monthly basis. Each area basically puts in their projected expenditure—what their requirements are expected to be this year. The indications are that we will have sufficient room to meet our obligations this year.

**Hon PHILIP GARDINER:** Just on restricted cash—what is the criteria that you use to determine whether cash is restricted or not?

**Mr Rosielle:** It is restricted to the purpose for which it is provided, basically. CSRFF is restricted to those facility projects, and the sports lotteries account is restricted to money provided from the lotteries that go in grants to the community. They are the main ones. We have about \$4.8 million in sports lotteries funds that we expect to have available at the end of this year. We had \$2.4 million in CSRFF payments which basically represent our restricted cash.

**Hon PHILIP GARDINER:** To draw on that restricted cash, I presume they are in particular accounts. Do you have to have any external signatory to draw on those accounts?

**Mr Rosielle:** Not external signatories.

**Hon PHILIP GARDINER:** Do you have additional and internal ones?

**Mr Rosielle:** Internal signatories, yes.

**Hon PHILIP GARDINER:** Compared with, say, the education department, they have zero restricted cash in a lot of cash assets. It is interesting to compare the different departments. Main Roads has —

**Hon KEN TRAVERS:** It is interesting because all the money that is held in the school accounts should be restricted if it has been given for particular purposes.

**Hon PHILIP GARDINER:** That is why I asked what the criteria is because obviously it must vary across departments.

**Mr Watt:** Perhaps I can also add, for example, on a balance sheet where we have our current liabilities, the employee provisions generally, part of that is constituted as restricted cash. We have the twenty-seventh pay to come every 13 years as well. Most of those current liabilities that we have as a figure are rolled up into restricted cash.

**Hon PHILIP GARDINER:** I would have thought the education department would have had a much bigger item then in that case.

**Mr Watt:** I cannot speak for education.

**Hon PHILIP GARDINER:** I know, but it is an interesting inconsistency.

**Hon KEN TRAVERS:** In terms of your balance sheet, where is your twenty-seventh pay recorded? In which section of your balance sheet would that be recorded in?

**Mr Watt:** It is in restricted cash.

**Hon KEN TRAVERS:** Under “Current Assets” “Restricted cash”?

**Mr Watt:** Yes. It is taken as a cash figure.

**Hon KEN TRAVERS:** How come that is not increasing over the period of the forward estimates?

[3.00 pm]

**Mr Watt:** It is not the entire restrictive cash.

**Hon KEN TRAVERS:** I understand that, but I would have thought that the component —

**Mr Watt:** It is, but the expectation is that the other elements that make up the restrictive cash are decreasing. And this is a forecast; there is a certain degree of imprecision in trying to forecast, say, for example, sports lottery or for CSRFF. There is always a margin of imprecision in casting those forward estimates, but the cash provision for the twenty-seventh pay would be that we increasingly put aside a certain amount of money this year and hold it in restrictive cash.

**Hon KEN TRAVERS:** Would that not also show up under either current or non-current liabilities?

**Mr Watt:** No. The twenty-seventh pay is actually handled just as a cash balance and we take that to the liability.

**Hon KEN TRAVERS:** It is slightly different for different agencies. I am trying to think of the one the other day I saw and asked a question about, and their answer was that the reason it increases was because of the twenty-seventh pay.

**Mr Alexander:** It might also be quantum, given our quantum is not quite the same.

**Hon PHILIP GARDINER:** Yes, maybe that is it, because I can see the current employee provisions and current liabilities of the education department, for example, are increasing in the out years quite materially. It may be because of the much higher —

**Mr Watt:** And they have a material —

**Hon PHILIP GARDINER:** Yes, component of it.

**Hon LIZ BEHJAT:** I am just having a look here at two things. On page 507 one of the outcomes in key effectiveness indicators is the available grant funds allocated—sports lotteries account and community sporting and recreation facilities fund. There is 100 per cent going across the years that are there, so that means that 100 per cent of the moneys available are allocated over those years. Is that right?

**Mr Alexander:** Yes.

**Hon LIZ BEHJAT:** Then if we go to page 514, where there are agency special purpose account details, under the community sporting and recreation facilities special purpose account is an opening balance of \$966 000, an appropriation of \$20 million and then payments of \$20 million expected, then you are still left with a balance of \$966 000. If you have a 100 per cent allocation of those funds across the years, why is that \$966 000 a constant? I am just not sure about that.

**Mr Rosielle:** The \$966 000 is just the forecast cash that is left in the account at the end of the year. For whatever reason, it may not get spent in that year. That was the budget figure. That went up to \$2.4 million as the estimated actual for this financial year. Currently, now that we are at the end of the financial year, we will have about \$1.8 million and CSRFF payments.

**Mr Didcoe:** Essentially it is the difference between what we allocate and when claims are made by the grantees, which results in what may not have gone out during the course of the year.

**Mr Alexander:** So we allocate 100 per cent of the fund, but for many reasons, because they have to assemble some of the money themselves, and it might be through selling land or a range of things, or are slow in building, because we pay when they are constructed, so you have a whole range of issues like that, which may result in the clients not completing the building, and so the money is still held.

**Hon LJILJANNA RAVLICH:** Mr Alexander, I am just wondering about the Perth Arena. Does that come under your portfolio?

**Mr Alexander:** No.

**Hon KEN TRAVERS:** He says with a smile on his face!

**Hon LJILJANNA RAVLICH:** I cannot find it in the budget papers.

**Hon KEN TRAVERS:** But you will notice the VenuesWest boys at the back of the room are getting very nervous at the thought!

**Hon LJILJANNA RAVLICH:** It is just that your minister has put out a press release on it, so I just assumed that if you put a press release out. Okay; that is all right. You do not have to answer any questions in relation to it, then.

**Hon KEN TRAVERS:** I note in your annual report you list a lot of the grants that you hand out. Are there any grants that are not listed in the annual report? You have sports lotteries and CSRFF.

**Mr Alexander:** I am sorry. I am struggling with that one, because I just cannot visualise a whole annual report versus what is in the budget.

**Hon KEN TRAVERS:** I am happy if you can take it on notice.

**Mr Watt:** We would have to reconcile. The assumption is that we are, but, of course, even with the best laid plans there might be something that drops off.

**Hon KEN TRAVERS:** If there is anything in the way of grants that you pay out that is not included in your report, if you could give us a list of those—not necessarily the grants but the types of grants that are not included in the annual report.

**Mr Alexander:** I think we have already agreed to give you a list.

**Hon KEN TRAVERS:** Of the amounts of money, so if you can add that onto it, it would be good.

**Mr Watt:** I do not think there are any that we would intentionally omit for some reason.

**Hon KEN TRAVERS:** No. It just depends on the basis on which you include them, I guess. I am not suggesting there is anything sinister in not having them in there.

**Mr Alexander:** I suspect that the only reason we would not is if they are not material. That would probably be the only reason.

**The CHAIR:** Just for clarity, I understand that there is an additional clarification or information in association with supplementary information A2, which was the first one about the list.

**Hon KEN TRAVERS:** On page 508, last year amongst the areas in which you were expecting to make savings was in the recreational camps management under the three per cent efficiency. I was wondering whether you could advise us whether or not the efficiencies you expected to make have been achieved within the camps management; and, if not, which ones were you unable to achieve?

**Mr Alexander:** No, we did not take any money out of the camps. Whilst you are looking to build across the whole portfolio, the camps are basically a business, so we could not afford to take it out of there—so zero.

**Hon KEN TRAVERS:** I thought there was money to be saved, and I will come back to that. In that case your total cost of service for 2009–10 was estimated to be \$4.788 million but you are actually going to come in at \$6.551 million. Are you able to advise why that was the case?

**Mr Rosielle:** That basically relates to one item and that is the depreciation of the camps infrastructure. We had a revaluation of the camps sites done, and that resulted in the camps valuation going from \$23 million to \$39 million, which increased the depreciation charge by about \$1.2 million to \$1.3 million for the year.

**Hon LJILJANNA RAVLICH:** Is that the value of the overall camps or just the improvements on the land?

**Mr Rosielle:** Improvements on the land.

**Hon LJILJANNA RAVLICH:** I am assuming that the plans for Subiaco Oval, and that is the building of the 60 000-seat expansion of it, are still on the drawing board?

**Mr Alexander:** There will be no comment made on the stadium for two years. Those are the messages that the Premier used, so we cannot —

**Hon LJILJANNA RAVLICH:** You cannot speak about it.

**Mr Alexander:** No, and I do not think we are actually doing anything in that regard at the moment.

**Hon LJILJANNA RAVLICH:** My understanding was that there was a rebuild proposed. So that has all changed now and nothing is going to happen.

**Mr Alexander:** There is a rebuild proposed by Aussie rules football but not proposed by the government. There is plenty of commentary but there is not going to be any decision made, as I understand, till February 2011.

[3.10 pm]

**Hon KEN TRAVERS:** Was the department consulted prior to the government putting in its support for a new Subiaco stadium as part of the FIFA World Cup bid for 2022, as it now is?

**Mr Alexander:** Yes, we were involved in doing most of that work.

**Hon KEN TRAVERS:** Did that include the costings of a potential stadium, either a redevelopment or a new stadium, as part of that advice?

**Mr Alexander:** The costings that went into that document were done by Football Federation Australia. They were their figures that they put in. Basically, the state said that it would provide a compliant stadium, by either redevelopment or new, should Australia win the 2022 bid. They did not make any commitments as to how much they would spend or anything else. They were the figures of the FFA.

**Hon KEN TRAVERS:** I understand that, but what I am trying to understand is whether, internally within the government, your agency was involved in providing any information to the government on the cost of a stadium to assist them in making that decision.

**Mr Alexander:** No. We did not put up costings for a stadium because, as I said before, the costings that were put into that were put in by FFA. They did the costings for Australia.

**Hon KEN TRAVERS:** I understand that that may be the case in terms of the bid that we put forward on behalf of Australia, but I guess I am just trying to understand whether the decision that was taken at a government level was taken with any knowledge of what the cost would be or whether it was taken as, “We will do it and worry about the costs later”.

**Mr Alexander:** Those costs were available from the FFA and they were done by Populous, which was the group that we contracted for the Major Stadia Taskforce. The government was aware of those figures but the FFA had hired Populous to look at what the current cost would be at approximately the time when the bid was put in, whereas I think sometimes the confusion in the community with regards to what was proposed previously with approximately \$1.1 billion, was that that cost was as at January 2016, and there was a large amount of escalation in there and all of those sorts of things.

**Hon LJILJANNA RAVLICH:** Did that \$1.1 billion take into consideration the resumption of additional land and houses? Was that all part of it?

**Mr Alexander:** It was all part of it. That was the reason why the Kitchener Park model was chosen, because we did not have to resume land south of Robinson Road. There was some land resumption, if I remember rightly, where the state housing is in the north-eastern corner.

**Hon LJILJANNA RAVLICH:** Can you remember how much land would have had to be resumed and how many houses?

**Mr Alexander:** I think it was 27 houses, but that is just off the top of my head. That information is available. It also included transport options and all those sorts of things. My understanding is the



FFA cost for a brand new 60 000-seat stadium, as at the time of the bid, was approximately \$720 or \$725 million.

**Hon KEN TRAVERS:** I want to finish on the point of the stadium. Is there no money at all allocated in the current financial year for considering stadium options? You made the comment that the decision will be made in February, so that will be made without the department having any allocation to do any work to inform that decision; is that correct?

**Mr Alexander:** That is correct.

**Hon LJILJANNA RAVLICH:** Do you think that is odd?

**Mr Alexander:** It is not for me to answer that?

**Hon LJILJANNA RAVLICH:** Who will answer it?

**Mr Alexander:** The minister or the Premier.

**Hon LJILJANNA RAVLICH:** So the minister will answer whether you think it is odd. How would the minister know whether you think it is odd or not?

**Mr Alexander:** We would have discussed it, but it is not for me to make political comments.

**Hon LJILJANNA RAVLICH:** That is an opinion, I would have thought.

**Hon KEN TRAVERS:** The important thing is that you are able to tell us that there is no allocation to do any work in the department to make an informed decision by February next year.

**Mr Alexander:** No.

**Hon PHILIP GARDINER:** On page 507 under “Outcomes and Key Effectiveness Indicators”, the second outcome is “Stakeholders reflecting social policy in their operations”. What is meant by that and which stakeholders are you thinking of? It is the second point.

**Mr Alexander:** Social policy is many and varied. We are doing work, as has been mentioned here, with the CALD communities; we are doing work on the Northbridge strategy; we are working with Indigenous people; we are working with Somali people, particularly in the Mirrabooka area; we are doing work with people who are in the lower socioeconomic areas to try to encourage them; and we are doing work with people who come into contact with the Department for Child Protection. For example, we have a range of those people in our camps, who come down and get first-aid certificates, coaching certificates and those sorts of things. We are doing some work, again with the Department for Child Protection, to assist them get foster parents through sporting clubs. We believe that people who are in sport often have a social conscience and often volunteer for things. We are working through them. There are over 5 000 sporting clubs. We have a program going where we are looking to have some disadvantaged children who are in the care of the Department for Child Protection go to one particular sporting club that will then look after that particular girl or boy in their club and they will have people who support them. We have more clubs than we have people in that environment. We are working to have just one club work with one person in that particular area. We have morphed, if you like, into looking after not just sporting clubs or the things people traditionally hear about such as building sporting facilities; there is quite a wide social agenda that is worked through the Department of Sport and Recreation, which we will be happy to table.

**Hon PHILIP GARDINER:** It is an excellent approach. In thinking about that, the regional communities are regarded as generally being of a lower socioeconomic level to city communities. I understand that Northbridge is in the city and has its own particular requirements and so on. That mentoring and the foster care and those kinds of things that you mentioned, how do you allocate or prioritise the funding that should be going into regional areas—I have to declare a vested interest—as distinct from the city areas? How do you make the allocation and divide up what you think is fair on one side or the other?

**Mr Alexander:** That is a—let me start! Over the years, on average in the community sporting and recreation facilities fund, about 63 or 64 per cent has gone to regional Western Australia, which is effectively 27 per cent of the population. If my maths are right, that leaves 37 per cent of the budget for 73 per cent of the population. When I looked at the budget a couple of years ago, before royalties for regions, 45 per cent of infrastructure dollars across the state were going to regional Western Australia and a person in the regions was getting 126 per cent more per head than a person in the metropolitan area. That was two years ago, I think, when I looked at those figures. We sat down and we have recently upgraded the amounts of money that our regional offices have in what we call the “country package”. We have a whole range of funds for when there is a conference or training on in Perth, which is used to fund regional people to come to. That ensures that there are representatives and opportunities there. In our neck of the woods, we try to get sponsors for the sport and rec department. We have groups like Skywest, for example, who offer flights to people to go and take coaching courses and umpiring courses. We also have the technology to do videoconferencing and those sorts of things. In the end, we sit down to try to ensure that there is opportunity for regional people to participate.

[3.20 pm]

**Hon PHILIP GARDINER:** That is very helpful. Are you able to measure the relative success of funds going to the city areas, if you like, compared with the country areas? Are you achieving what you set out to achieve?

**Mr Alexander:** An example is when the member for Albany, Peter Watson, did the country sport report.

**Hon KEN TRAVERS:** I have a copy right here.

**Mr Alexander:** It was launched jointly by Minister Terry Waldron and Peter Watson after the new government came in. There was a perception in regional Western Australia—I will use netball as an example—and people would say, “We pay our affiliation fees and we do not get the service.” When we looked at this through this process, it showed that the regional people, who were complaining quite bitterly about that, actually got a higher level of service than the people in the metropolitan area. I call it the greater amorphous mass behind Balga, Girrawheen and those areas, which is not visible. The visibility of large areas in the metropolitan area, I think, is more complex than the visibility of people in regional Western Australia. It was quite interesting when that report showed that the people in regional Western Australia were, arguably, getting more money for their affiliation fees than the people in the metropolitan area. That was something that was generally presumed to be the opposite. That is an example, when we sit down and actually look at the opportunity, of what is occurring in some areas—not in all.

**Hon PHILIP GARDINER:** Taking on the results again, Ron, do you have a benchmark and then try to see how far you get above that benchmark to establish whether that funding has been effective, be it regional or city areas?

**Mr Alexander:** We evaluate different projects from time to time. I do not have those with me.

**Hon PHILIP GARDINER:** Do you have a formal evaluation that we can obtain?

**Mr Alexander:** Sure. We have evaluations of different projects—not all, but certainly ones where we think we do not know, we do not understand or we do not have the anecdotal information. We are trying to get a balance. I find in our community today that everyone needs a bound report to convince them of what they already know; they do not trust themselves. We try to get bound reports on things that we are not sure of, rather than just because people think we should have one. We would prefer the money going to do something.

**Hon PHILIP GARDINER:** It is the latter aspect of that. I would be interested in receiving an example of your evaluation of what you do not know and then what you are finding out is happening.

[*Supplementary Information No A5.*]

**Mr Alexander:** I would like to add one thing to that on the community sporting and recreation facilities fund, which is a good example. We have regional people sitting on the decision-making process. In an effort to try to make sure that the funding is fair, we have people from all parts of our community sitting on that process. I chair the panel, but we have different people from different shires and the like in there. Also, we have a large commitment out of our budget to regional Western Australia through 11 different offices throughout the state, starting with Kununurra, Broome, Karratha, Carnarvon, Kalgoorlie and right through to Albany. We have regional offices in all of those towns. I will not say that they go feral because—that is not quite the right terminology—but when we have someone working in a region, there is always a balance between working for the community and working for the state government. I think a balance comes through that as well, with people who are part of the Department of Sport and Recreation who are fighting to get resources into their region. That ensures also that there is a balance, because we are quick to hear in the different parts who is not getting the good deal and who thinks they should be getting more. We do not often hear someone complaining furiously that they are getting well treated!

**The CHAIR:** Neither do we.

**Hon KEN TRAVERS:** Following on from that, I have two questions. Are you authorised under the State Trading Concerns Act to engage in sponsorship, advertising and the like?

**Mr Alexander:** I have not been asked recently.

**Hon KEN TRAVERS:** Maybe you can take that on notice.

[*Supplementary Information No A6.*]

**Hon KEN TRAVERS:** I am glad that you mentioned the “Review of Sport and Recreation in Regional Western Australia”. Are you able to identify whether any money has been allocated to implement the recommendations of that report in this budget or, if not, whether you are using existing money and you are able to provide a reconciliation? I am happy to take that on notice. That is, for each of the recommendations, what money or activity has been allocated within the department to meet the recommendations of that report?

**Mr Alexander:** Sure.

[*Supplementary Information No A7.*]

**Hon KEN TRAVERS:** I understand that the trails reference panel has been abolished in the department; is that correct?

**Mr Alexander:** We have a range of trails, depending on the type, and we have a committee that allocates the money that we get from Lotterywest.

**Hon KEN TRAVERS:** I thought the trails reference panel was one on which you worked with other agencies and TrailsWA, I think it is, to coordinate what you are doing around trails across government?

**Mr Alexander:** We still coordinate across government and meet regularly with DEC.

**Hon KEN TRAVERS:** I have a list of boards and committees that were abolished as of March 2010, which shows that the Department of Sport and Recreation’s trails reference panel and also the officiating reference panel were abolished.

**Mr Watt:** I know a little bit about this. There was a reclassification of what constituted a board or committee, and these particular groups were found not to constitute a board or committee. They still exist, but they do not meet the classification requirements to be included.

**Mr Alexander:** We are still doing the work, because we still need —

**Hon KEN TRAVERS:** That was going to be my question: how do you coordinate with DEC and other agencies if you do not have that trails reference panel? My understanding of that panel was that it allowed you to coordinate with the other government agencies that had an interest, so how do you do that if you have accomplished the trails reference panel?

**Mr Alexander:** They are basically meetings.

**Mr Watt:** There are no paid employees who are paid directly as officers of a board or committee.

**Hon LJILJANNA RAVLICH:** They are not being cancelled by the Premier?

**Hon KEN TRAVERS:** They have been. They are on the Premier's list of boards and committees abolished as of March 2010, but it sounds as though they have not been abolished. They have been declared not to be a committee and therefore that is abolition, but the body still continues.

**Mr Alexander:** I guess, when you get down to the definition, if you went right through government you could determine —

**Hon KEN TRAVERS:** There were no committees left!

**Mr Alexander:** — a couple of government departments getting together could be called a committee. I do not know the ins and outs of this, but I suspect what they have done is if someone is getting paid out of the community to be on a committee, then that might constitute one as it is coming out of your budget to employ five or six people.

**Hon LJILJANNA RAVLICH:** Not necessarily. That was not the definition of a committee, because certainly the rock lobster wives' group was not being paid by anybody and they were being defined as a committee under the Premier's definition of a committee, so there must have been some change in definition.

**Hon KEN TRAVERS:** It is okay; the Sport Centre Trust gets abolished under this list of activities! You are probably a bit better off than they are.

**Hon LJILJANNA RAVLICH:** You might be defined as a committee and abolished!

**Mr Alexander:** I might just leave this one alone.

**Hon KEN TRAVERS:** Let us move onto the officiating reference panel. Do you have, or have you ever had, an officiating reference panel?

[3.30 pm]

**Mr Alexander:** We have, yes. That is basically to get all umpires and referees together who are sometimes not the most loved people in the community. We work with them to raise their standards and we encourage and support them.

**Hon KEN TRAVERS:** Are you still doing that?

**Mr Alexander:** Yes, but that is just internal work through the department. We invite people from netball and softball, and all those sorts of people. Based on that, you could add 50 to that list in the department of different meetings that we have.

**Hon KEN TRAVERS:** I am not having a go at you. We see in the media at times where there is a degree of increased antagonism towards the people who tend to wear white. Often we need to look at how we make sure there is respect across sport. I think some programs have been run at various times about respect for officials and the need to remember in some cases that they are volunteers. A lot get some sort of remuneration but there are still a lot of volunteer officials. I do not disagree with the idea of raising the standards and respect within the community for the work those people do. I am trying to understand what is happening to this list that says it has been abolished and how the work of the department will continue in those areas.

**Mr Alexander:** I could not tell you what it is called now, but certainly we do the work.

**Hon KEN TRAVERS:** All right. The final one listed for abolition via legislative changes is the Professional Combat Sports Commission. I am aware of a bill in the Parliament to change the title of that and remove the word “Professional” and to broaden the role of the committee. Are you aware of any proposals to abolish it?

**Mr Alexander:** If they are changing the name and the purpose through legislation, and the old one is called the Professional Combat Sports Commission, I guess they are going to get rid of that. Whether it is called abolishing it or not, we would just have a new vehicle for doing this, which will certainly be required.

**Hon LIZ BEHJAT:** I refer to your income statement on page 511. Under “Income” and the first line “Sale of goods and services”, can you give me an indication—I do not want a complete breakdown—of what goods and services you sell to make that figure?

**Mr Rosielle:** That is the income we receive for our camps, of approximately \$3 million a year.

**Hon LIZ BEHJAT:** I gather that the department itself makes no money from the sale of alcohol.

**Mr Watt:** Absolutely not.

**Mr Alexander:** I cannot think of anywhere other than the social club.

**Hon LIZ BEHJAT:** One says “Absolutely not”; and one says “I cannot think of anywhere.”

**Mr Watt:** Absolutely not.

**Mr Alexander:** We do not make any money from the sale of alcohol.

**Hon LIZ BEHJAT:** Thank you.

**Hon KEN TRAVERS:** On that income line item, I notice the figures and that the 25 per cent increase in fees has led to you getting less income than you got in 2008–09. Is that because usage of the facilities has dropped substantially as a result of the increase in fees?

\*dido: There is a little bit of that, of course, but the higher fees were to areas where we get the lowest part of our usage, for example, commercial organisations is where the highest parts of the fees have been. I guess what I am saying is that we are not getting a lot of extra revenue from our main client base.

**Hon KEN TRAVERS:** This suggests that since 2008–09 you will have a reduction in the income coming into the organisation.

**Mr Rosielle:** In 2008–09 two items made up approximately \$1 million in additional revenue for that year—\$691 000 for interest earned on the Logue Brook trust account and income for the sports wagering account of \$311 000. There was also a one-off recoup for housing and works of \$270 000.

**Hon KEN TRAVERS:** If that is the case, can you give us a breakdown—I am happy for it to be taken on notice—of how much income you received from people paying to use the recreation camp facilities so we can see how much income you have received since 2008–09 from just that component rather than all the other things added to that? Is that easy enough to do?

**Mr Rosielle:** Yes.

[*Supplementary Information No A8.*]

**Hon LJILJANNA RAVLICH:** I am interested to find out about funding to soccer. Can you provide the committee with a total amount provided for soccer in this state annually and a breakdown of how much is provided to each club or organisation? I am happy for you to take that on notice. Can you give me some feedback?

**Mr Watt:** Supplementary information A2 will provide an A to Z and an aggregation of all the grants and payments made.

**Hon LJILJANNA RAVLICH:** Will it be easy for me to identify which is the soccer club?

**Mr Watt:** We can add that into that.

**Hon LJILJANNA RAVLICH:** If you can add that into that supplementary information, that will be very good.

As I move around the community I hear from many communities and many soccer organisations that the funding that is provided to them to develop and run junior soccer competitions is very much lacking compared to the amount that is provided for football, for example. When we engage in an international soccer carnival, everyone is hyped up about soccer and then it tends to dissipate and go away. The fact is it is an international sport and a lot of juniors are very keen to involve themselves in the sport of soccer. I wonder whether I can have your comments on the future of soccer in this state, Mr Alexander, or on why there might be some disparity in the funding and so on, and what we might expect in the future.

**Mr Alexander:** The disparity is easily explained. Aussie Rules had Subiaco Oval gifted to it, so it takes all the revenue from what happens at Subiaco Oval. We have two teams, the West Coast Eagles and the Fremantle Dockers, who the WA Football Commission charges rental in the vicinity of \$3 million plus each. They inject that money into the development of Aussie Rules football. Organisations such as rugby union and soccer teams—Perth Glory and Western Force—play out of ME Stadium and generally do not attract the same crowds or make the same money from the venue. They do not earn the money through soccer spectators or rugby union spectators coming to the ground. In one respect, if you like, the community makes the decision on where it goes and what it wants to see and provides that funding and support for it. Otherwise soccer gets money. You can look at exactly what it gets from the different government departments. I am not sure it is that much different from a range of other sports. I think six or seven years ago soccer was not getting anything from the government at all because it was in such disarray. Through the Department of Sport and Recreation we had a consultant in there who helped form a Soccer Commission, headed by Kevin Campbell, the ex-general manager of Channel 7, and put a different structure in place. Now, through the state government and sponsorship and other sources, funds are flowing far more into soccer than ever. But the key difference is the money earned through their national teams, if you like.

[3.40 pm]

**Hon LJILJANNA RAVLICH:** What about the allegation that the Department of Sport and Recreation does not really want to grow soccer because it is in competition to Aussie rules football and, therefore, there is not a preparedness to put the investment in so that we can grow soccer because, basically, a protectionist policy is being applied—that is, a protectionist policy towards football by not funding soccer sufficiently?

**Mr Alexander:** They are obviously uninformed and if they chose to inform themselves to see the exponential increase in funding to soccer over the past five or six years, they might be interested in having a look.

**Hon LJILJANNA RAVLICH:** So when we get your comparative data on the funding to football and the funding to soccer we will see a similar trend in terms of percentage funding allocation growth to each?

**Mr Alexander:** No, you would not from the state government; I think you would see a greater percentage increase in soccer, taking out the money earned from their national teams.

**Hon PHILIP GARDINER:** I have heard the minister talk about the change of emphasis with relation to alcohol from being in a sense a binge drinking sport to maybe being a cleansing ale or a cleansing drink at sport. Have you gotten to the detail of the strategy? Is there any allocation in this budget to try to make that change of emphasis amongst the sporting community with relation to alcohol?

**Mr Alexander:** No, there is no money in the budget.

**Hon KEN TRAVERS:** Following on from that point, do any of the new policies of Healthway have an impact on the demands that have been put on your agency from sporting organisations in terms of seeking financial assistance because the current arrangements they have with Healthway are coming under pressure?

**Mr Alexander:** I do not think that has been shaken out yet. As far as I am aware, Healthway has a policy with regards to alcohol and fast foods and those sorts of things and does not wish to support organisations that are promoting those brands. It has not shaken itself out yet into who has been funded and who has not. We do not have the detail of that. It has the potential to.

**Hon KEN TRAVERS:** Is that a policy that goes across the government? So, is that something that as an agency that you are looking at to bring in a similar policy, so organisations that have relationships with fast food and alcohol do not get funded?

**Mr Alexander:** Not at this stage, no.

**Hon KEN TRAVERS:** Because in fact I would have thought that one of the worst combinations of advertising is probably the V8 supercars where you have alcohol and fast cars. In fact, a lot of their advertising is related to alcohol and beverages.

**Mr Alexander:** I think there is a difference. One of the things that the sports argued when tobacco funding was replaced by Healthway was that they were able to move to that. There is now I suppose a conundrum where they are getting supported by alcohol companies and fast food companies to get people active, if you like, or that is why the sports have taken the money, not necessarily the others, it is not necessarily intent; it is obviously to sell product. So sports get used to having that money and then if they are asked then to stop, they will say there are certain parts of our operation that we cannot do; we will have to cut back on that because we do not have the money. So there is a whole debate there including the moral debate, the ethical debate.

**Hon KEN TRAVERS:** I was wondering whether the department was doing any work to try to encourage Healthway to go down the path of sort of using their sponsorship as leverage for healthy eating of fast foods or the healthy consumption of alcohol, rather than having the prohibition—sort of trying to work with sports.

**Mr Alexander:** That is the discussion that has been had: How do you encourage people to drink responsibly and also eat responsibly? Certainly, our minister's opinion is that he wishes to look at the mitigation of drinking, not a total prohibition, getting people to make good decisions inside the advertising and what has been advertised to them.

**Hon KEN TRAVERS:** I would not disagree with that. In fact, I would have thought the only area where you could argue that there is a need for prohibition is in something like where you have cars whizzing around a racetrack and alcohol being mixed. In fact, even there, if you are going to have it, the best thing to have is a responsible drinking message alongside those alcohol messages, I would have thought.

**Hon PHILIP GARDINER:** Following on from Hon Ken Travers, I might have misrepresented what the minister's suggestion was, but is there money in the budget for the mitigation, as opposed to the prohibition, of alcohol?

**Mr Alexander:** I am not aware that we have money in the budget. We talk to people about acting responsibly and all that but we do not have any grant money to assist in that area.

**Hon PHILIP GARDINER:** Okay, but the proactive statements, I presume, coming out of the department are, as you say, some mitigation rather than prohibition.

**Mr Alexander:** We are working with the sports to help them with their approach to it. I think the last time prohibition was in was in the US in the 1920s.

**Hon PHILIP GARDINER:** So prohibition might have been the wrong word!

**The CHAIR:** That was not quite what you had in mind.

**Hon KEN TRAVERS:** I just want to turn to the \$26.1 million that is included under the asset investment program for the state netball centre. How was the \$26.1 million determined?

**Mr Didcoe:** As the honourable member is probably aware, there has been a lot of planning over the years culminating from when the original allocation was put in the budget. There has been a variety of business analysis done on those. The \$26.1 million is based on a quantity survey estimate of the preferred concept design that we developed in conjunction with netball.

**Hon KEN TRAVERS:** Are you able to give us a breakdown on that of at what date that was fixed? I know there have been a number of business cases developed; in fact, at one point the escalations went up and then the escalation came down, so at what point in time was the \$26.1 million based on? What date was that final sort of assessment made that the \$26.1 million was determined?

**Mr Didcoe:** The last analysis was December of last year.

**Hon KEN TRAVERS:** December 2009?

**Mr Didcoe:** Yes, forecasting out for decision possibly in this year.

**Hon KEN TRAVERS:** Right, but the construction will not actually start for another couple of years, so would you not need a bit more of an escalation beyond that date for the actual amount of money that the stadium will actually take to prepare?

**Mr Didcoe:** You are right; perhaps, the answer I gave was not as clear as it could have been. That escalation was provided for in the project.

**Hon KEN TRAVERS:** Are you able to give us a figure, I am happy for it to be taken on notice, of what were the total construction costs that you estimated and how much of that is escalation?

*[Supplementary Information No A9.]*

**Hon KEN TRAVERS:** Does the \$26.1 million include any money for the replacement of the Perth Netball Association facilities at Matthews?

**Mr Alexander:** Yes, it does.

**Hon KEN TRAVERS:** Can you give us some indication of how much of that figure includes the replacement costs for the community netball facilities?

**Mr Alexander:** Approximately \$2 million.

**Hon KEN TRAVERS:** Also, are there any other ancillary costs, so is any provision made for parking as part of the redevelopment?

**Mr Alexander:** Yes.

**Hon KEN TRAVERS:** So if you can maybe give us a breakdown of the costs that are arrived at within that \$26.1 million. What is the contribution from the Town of Cambridge going to be?

[3.50 pm]

**Mr Alexander:** We would like to provide that information in camera.

**The CHAIR:** Yes; okay. Being mindful of that, and being mindful that it is getting close to 10 to four, we will ask one more question and then move into private session. Hon Ljiljana Ravlich.

**Hon LJILJANNA RAVLICH:** Mr Alexander, back on the soccer issue, sometime ago I was approached by the Western Knights administration who advised me the club was turning away junior and senior players who wanted to play. Because of the lack of playing fields, they simply could not accommodate these people. I am wondering what I can tell the club about how they can get suitable playing fields so that they can encourage everyone who wants to play soccer to be able to play soccer and therefore become healthier and, you know, better citizens, if you like.



**The CHAIR:** Better soccer players!

**Hon LJILJANNA RAVLICH:** Better soccer players—yes. Who can they speak to? What can they do? I think the intent is good. If people want to play the game, they should have the facilities to be able to do so.

**Mr Alexander:** There is a range of answers to that. One of the things that we find is that a lot of people want to play at two o'clock on a Saturday afternoon. They do not wish to play under lights or to play on Sundays. There are a whole range of issues. Generally, if people are prepared to play on the weekends at different times, you can find somewhere for them to play. However, we have already done a plan for soccer and—Robbie might mention it—tennis. We have done a range of plans for the future needs of different sports. That has been done.

**Hon LJILJANNA RAVLICH:** Is that publicly available?

**Mr Didcoe:** No; it is not on our website as yet. We are waiting for approval from Football West to put it out publicly. All of the others are on our website.

**Hon LJILJANNA RAVLICH:** Okay, but what can I tell the Western Knights?

**Mr Alexander:** Ring the Department of Sport and Recreation and speak to Mr Didcoe —

**Hon LJILJANNA RAVLICH:** Okay.

**Mr Alexander:** Who would you like them to speak to?

**Mr Didcoe:** They can contact me in the first instance.

**Hon LJILJANNA RAVLICH:** Yes; all right. That is very helpful. Thank you.

**The CHAIR:** Excellent. Now, assuming that all members are happy to go into private session, we will first of all ask the people in the public gallery to leave the room; thank you, very much.

**[The committee took evidence in private]**