

**MEMBERS EQUITY STADIUM MANAGEMENT COMMITTEE**

**20 APRIL 2009 AT 3.00PM**

**UNCONFIRMED MINUTES**

Venue: Town of Vincent Committee Room

Attendees: Mayor Nick Catania, Town of Vincent (*Chairperson*)  
John Giorgi, Chief Executive Officer, Town of Vincent (*Member*)  
Stuart Gilsean, Football Operations Manager, Perth Glory Football Club (PGFC) (*Member*)  
Terry Bradbury, Director, Rugby WA (*Member*) (*from 3.30pm*)  
Val Murphy, Board Member, WA Rugby League (WARL) (*Member*)  
Gail Szabo, Business Manager, Allia Venue Management Pty Ltd (Allia) - (*Representing the Stadium Manager - By Invitation*)

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**1. Welcome/Opening**

Chairperson, Mayor Nick Catania, declared the meeting open at 3.20pm.

**2. Apologies**

Councillor Steed Farrell, Town of Vincent (*Deputy Chair*) - (*Approved Leave of Absence*)  
Bill Nosworthy, Board Member, WARL  
Peter Bauchop, Stadium Manager - Chief Executive Officer, Allia - (*Annual Leave*)  
Rob Didcoe, Director Facilities and Camps, Department of Sport and Recreation - (*Nil Response*)

Note:

Scott Gooch had previously submitted his apologies and advised that he had resigned as Chief Executive Officer of PGFC, with effect from 24 April 2009.

The Chairperson asked that a letter be sent to Scott Gooch thanking him for his time and contribution as a member of the Stadium Committee for PGFC.

**3. Confirmation of Minutes**

Moved by John Giorgi, Seconded by Gail Szabo

*That the Minutes of the meeting held on 16 February 2009, as previously circulated, be confirmed as a true and accurate record.*

**CARRIED (5-0)**

**(Cr Steed Farrell on Approved Leave of Absence. Terry Bradbury did not arrive until 3.30pm.)**

**4. Matters Arising from the Minutes**

Signage strategy is still being prepared by Allia.

**5. Business Arising****5.1 Stadium Manager's Report - 1 January 2009 to 31 March 2009**

The Stadium Manager's report was tabled. The following key points were noted:

1. Quote for oval drainage on Page 15 - Town to investigation options.
2. Electrical Upgrade has now been completed - Page 17.

**Moved by Gail Szabo, Seconded by John Giorgi**

***That the Stadium Manager's Report for the period 1 January 2009 to 31 March 2009 be received.***

**CARRIED (5-0)**

**(Cr Steed Farrell on Approved Leave of Absence. Terry Bradbury did not arrive until 3.30pm.)**

**5.2 Deeds of Licence**

The following Deeds of Licence were approved for the period 1 January 2009 to 31 March 2009:

<b>Date Approved</b>	<b>Event</b>	<b>Location</b>
6 January 2009	<ul style="list-style-type: none"> <li>• Super Family Monster Spectacular Event on 14 March 2009 (<i>KC's Fireworks Displays Aust Pty Ltd, Mooloolah, Queensland</i>)*</li> <li>* <i>Subsequently cancelled.</i></li> </ul>	• Stadium
6 January 2009	<ul style="list-style-type: none"> <li>• The Who Concert on 4 April 2009 (<i>Andrew McManus Presents (International Pty Ltd), Fitzroy, Victoria</i>)</li> </ul>	• Stadium
4 February 2009	<ul style="list-style-type: none"> <li>• ANZ Meeting on 5 February 2009 (<i>Spotless Services</i>)</li> </ul>	• Gareth Naven Room
4 February 2009	<ul style="list-style-type: none"> <li>• Main Roads Meeting on 6 February 2009 (<i>Spotless Services</i>)</li> </ul>	• Gareth Naven Room
4 February 2009	<ul style="list-style-type: none"> <li>• Western Power Meeting on 11 February 2009 (<i>Spotless Services</i>)</li> </ul>	• Gareth Naven Room

Date Approved	Event	Location
4 February 2009	• Pharmaceutical Council of WA Meeting on 24, 25 and 26 February 2009 ( <i>Spotless Services</i> )	• Members Equity Bank Lounge, Gareth Naven, Suites 1-12
16 February 2009	• Main Roads Meeting on 16 February 2009 ( <i>Spotless Services</i> )	• Gareth Naven Room
24 February 2009	• South Sydney District Rugby League Football Club Events and Functions (including fixtures, training, captain's runs and media conferences) - Term commencing on 5 February 2009 and terminating on 31 August 2009, with option from 1 September 2009 and terminating on 31 August 2011 ( <i>South Sydney District Rugby League Football Club, Redfern NSW</i> )	• Stadium
25 February 2009	• Stratco Cup on 7 March 2009 ( <i>Football West</i> )	• Stadium
3 March 2009	• Trinity College Meeting on 4 March 2009 ( <i>Spotless Services</i> )	• Gareth Naven Room
12 March 2009	• Wesley College/Cancer Council Fundraiser on 13 March 2009 ( <i>Spotless Services</i> )	• Members Equity Bank Lounge
25 March 2009	• Factor 30 - Synergy and 303 Advertising Commercial Shoot ( <i>Factor 30 Films Pty Ltd, Mount Lawley, WA</i> )	• Seating - Grandstand / Eastern / Southern Areas
30 March 2009	• Department of Sport and Recreation Workshop on 2 April 2009 ( <i>Spotless Services</i> )	• Gareth Naven Room

Terry Bradbury entered the meeting at 3.30pm.

Moved by John Giorgi, Seconded by Gail Szabo

*That the Deeds of Licence, as listed, be endorsed.*

CARRIED (6-0)

(Cr Steed Farrell on Approved Leave of Absence.)

5.3 Stadium Upgrade Works

5.3.1 Electrical / Power Supply

This has now been completed within the approved budget.

5.3.2 Upgrade of Command Centre

This has now been completed.

5.3.3 Other Works

- New sewer main for Brewer Street Toilet Block - work yet to commence.
- Repairs to concrete roof of players' race - deferred pending outcome of the redevelopment.
- Repairs to grandstand fretting brickwork - deferred pending outcome of proposed redevelopment.

**Moved by John Giorgi, Seconded by Gail Szabo**

*That this information be noted.*

**CARRIED (6-0)**

**(Cr Steed Farrell on Approved Leave of Absence.)**

5.4 Stadium Feasibility and Business Case - Progress Report

A Value Planning Workshop was held at Members Equity Stadium (MES) on 2 April 2009. This was attended by the DSR, Town's Chief Executive Officer, Rugby WA, Allia, Perth Glory Football Club and WA Rugby League.

The purpose of the Workshop was to discuss the possible redevelopment of MES and consider the stakeholders' requirements.

LEK Consultants draft presentation for Rugby WA has been received.

John Giorgi advised that two meetings have been held with the Department of Sport and Recreation (DSR), during April 2009. The Director General of the DSR advised the Town of the following;

1. if the State Government is to invest \$70 million for the upgrade of MES, it will require the Asset "to be on its books" - this was later clarified to mean that the State Government would consider a long-term Commercial Lease with the Town and not freehold ownership;
2. the DSR to control the management of MES (possibly through the Sports Centre Trust);
3. the DSR to control the tender and supervise the construction of the project; and

4. the DSR to require the payment of 1.5% of the capital cost of the project and/or at least \$1.1 million per annum into a Reserve Fund for the maintenance of the new Stage 2 Grandstand.

The Town's position has been conveyed to the Director General of the DSR at a meeting held on 7 April 2009, as follows:

That the Council made the following decision at the Ordinary Meeting of Council held on 24 March 2009;

- "1. *the Town will not lease Members Equity Stadium to the State Government on a long term basis;*
2. *the Town will not relinquish control of its asset and the Stadium Management Committee; and*
3. *that it considers the most acceptable and cost efficient option of delivering the Proposed Stage 2 Redevelopment of Members Equity Stadium is by a Financial Assistance Agreement between the State Government and the Town."*

Chief Executive Officer, John Giorgi's comment to DSR

1. *Disposal of Asset:*

This matter has been briefly discussed with the Town's Mayor and, whilst the Council has not considered this matter, it is highly unlikely that the Council would support disposal of its Asset to the State Government, unless the Town was fully compensated for its Asset (of which it has freehold ownership).

2. *Lease:*

Notwithstanding the Council's recent decision, there is merit to investigate a Commercial Lease between the Town and the State Government. The Town has received two preliminary quotations for valuations (which are considered essential for Leases of this nature) - these would cost between \$5,000 and \$11,000.

The Chief Executive Officer is not prepared to request expenditure of this money, unless the State Government indicates in writing that it wishes to pursue this matter. (It appears that there is a difference of views between the DSR and the Minister responsible for Finance and Treasury).

3. *Control of Asset and Stadium Committee:*

The Chief Executive Officer advised the DSR that the Council is not prepared to relinquish control of its Asset and Stadium Committee. However, it may be prepared to review its position if a Commercial Lease was successfully negotiated.

4. *Project Delivery Method:*

The Town believes that the most efficient and cost effective method for project delivery is via a Financial Assistance Agreement between the State and the Town. The Town has previously demonstrated that it can deliver major projects within budget and in time, as opposed to State Government projects which often exceed prescribed Budgets (for example, the Perth Arena, which was initially costed at \$90 million and is now expected to cost \$450 million). Notwithstanding, if a Commercial Lease is successfully negotiated, the Town's Chief Executive Officer believes there is merit in allowing the State Government to control and deliver the project (and also be responsible for future management of the Facility and payment of monies for the Capital Reserve Fund).

5. *Contribution to Capital Reserve Fund for Future Maintenance of Stage 2 - Eastern Stand:*

It is acknowledged that a significant amount of money is required to be placed on an annual basis in a Reserve Fund for the future maintenance of the Eastern Stand, which would have an estimated value of approximately \$65 million. However, the Chief Executive Officer advised that the Town is not in a financial position to contribute significant amounts of money to the Reserve Fund. Options to raise revenue for the Capital Reserve Fund require further investigation and include the following:

(a) Ticket Levy:

A ticket levy could be calculated and imposed on each ticket to raise monies. (A similar scheme is in place in Melbourne, whereby the MCG imposes a ticket levy for the next 30 years and monies raised are used for the recent redevelopment.)

(b) Funds from Naming Rights of Eastern Stand:

The Naming Rights of the Eastern Stand (when built) remain with the Town, as these are outside the Naming Rights prescribed in the Heads of Agreement (HOA). Allia acknowledge that they are not entitled to these Naming Rights. Such Naming Rights could generate revenue, however at the time of holding these discussions, there is no indication as to the value of the Naming Rights - further research will be required.

(c) Contribution from the State Government:

As the redeveloped Stadium is considered a State facility, it could be argued that the State Government should contribute significantly to the future Capital Reserve Fund.

(d) Contribution from Users:

A contribution from the Users of the Stadium could be imposed, as part of any future Licence Agreement.

(e) Combination of (a) to (d).

It is obvious that the above matters will need to be addressed as part of the negotiations for any future redevelopment.

The Minister for Sport and Recreation, DSR and stakeholders will be attending a workshop on the proposed redevelopment of Members Equity Stadium on 21 April 2009 to receive the findings of an independent Consultant commissioned by Rugby WA, concerning their future and also the redevelopment of MES.

**Moved by John Giorgi, Seconded by Terry Bradbury**

*That this information be noted.*

**CARRIED (6-0)**

**(Cr Steed Farrell was on Approved Leave of Absence.)**

**6. General Business**

6.1 Val Murphy asked for a siren for WARL. The Town will obtain a quote for this.

*Action: Town*

6.2 Gail Szabo passed on Allia's thanks to the Town for the electrical works that have now been completed.

**7. Next Meeting**

Monday 20 July 2009 at 3.00pm.

**8. Chairperson, Mayor Nick Catania, declared the meeting closed 3.40pm.**

These Minutes were confirmed as a true and accurate record of the meeting of the Stadium Committee held on 20 April 2009.

Signed: .....Chairperson

Dated this ..... day of ..... 2009