



ECONOMICS AND GOVERNANCE COMMITTEE

Members present:

Mr LP Power MP—Chair
Mr RA Stevens MP
Mr MJ Crandon MP
Mrs MF McMahon MP
Mr DG Purdie MP (virtual)
Mr A Tantari MP

Staff present:

Ms J Langford—Committee Secretary
Ms M Salisbury—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO THE MAJOR SPORTS FACILITIES AMENDMENT BILL 2022

TRANSCRIPT OF PROCEEDINGS

MONDAY, 29 AUGUST 2022

Brisbane

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The committee met at 10.34 am.

CHAIR: Good morning. I declare open this public briefing for the committee's inquiry into the Major Sports Facilities Amendment Bill 2022. I respectfully acknowledge the traditional custodians of the land upon which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in those of Aboriginal and Torres Strait Islander peoples whose lands, winds and waters we all share.

My name is Linus Power, member for Logan and chair of the committee. The other members of the committee are: Mr Ray Stevens MP, member for Mermaid Beach and the deputy chair; Mr Michael Crandon MP, member for Coomera; Mrs Melissa McMahan MP, member for Macalister; Mr Dan Purdie MP, member for Ninderry, who is joining us via the phone; and Mr Adrian Tantari MP, member for Hervey Bay.

The purpose of today's briefing is to assist the committee with its inquiry into the Major Sports Facilities Amendment Bill 2022. The briefing is a proceeding of the Queensland parliament and is subject to the standing rules and orders of the parliament. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence.

I remind members of the public that they may be excluded from the briefing at the discretion of the committee. I also remind committee members that officers are here today to provide factual or technical information. Any questions seeking an opinion about policy should be directed to the minister or left to debate on the floor of the House.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. Please turn your mobile phones off or to silent mode.

ANDERSON, Mr Chad, Executive Director, Partnerships, Strategy and Development, Sport and Recreation, Department of Tourism, Innovation and Sport

SLY, Mr Andrew, Deputy Director-General, Sport and Recreation, Department of Tourism, Innovation and Sport

CHAIR: I now welcome representatives from the Department of Tourism, Innovation and Sport: Mr Andrew Sly, Deputy Director-General, Sport and Recreation; and Mr Chad Anderson, Executive Director, Partnerships, Strategy and Development, Sport and Recreation. Good morning. Thank you for agreeing to brief the committee today. I invite you to make some opening comments, after which committee members will have some questions for you.

Mr Sly: I also start by acknowledging the traditional owners of the land upon which we meet today and pay our respects to elders past, present and emerging. I thank the committee for giving the department the opportunity to speak at the inquiry today. I acknowledge and appreciate the importance of the committee's work on considering the bill which seeks to implement recommendations arising from the Stadium Taskforce interim and final reports which require legislative amendments to the Major Sports Facilities Act 2001.

The act establishes Stadiums Queensland as the authority responsible for managing, operating, using, developing and promoting facilities in Queensland. These facilities stage national and international sports, recreation, entertainment or special events. As we all can appreciate, a lot has changed since the act was initiated and Stadiums Queensland was formed, and it is timely to revisit the role of this important statutory body in the lead-up to the Brisbane 2032 Olympic and Paralympic Games.

I am sure many, if not all of you, have attended an event at a Stadiums Queensland venue. The team is known as the hosts with the most to offer ticket holders an experience to remember, whether it is to watch sport or a headline musical act. Stadiums is governed by a board of directors
Brisbane

and is currently responsible for 10 major sports facilities declared under the Major Sports Facilities Regulation 2014, including the world-famous Gabba and Suncorp stadiums in Brisbane, as well as Queensland Country Bank Stadium in Townsville.

In April 2018 the then minister for sport established the Stadium Taskforce, which examined the operating and pricing models for major sport events for each of the venues within the SQ portfolio. The task force also investigated how those models impacted hirers, patrons, major event attraction, and the costs and benefits to the Queensland community.

In July 2018 the task force delivered its interim report to the Queensland government which contained 17 recommendations relating to commercial opportunities and financial considerations for several Stadiums Queensland venues, transport and parking matters that impact stadiums on the Gold Coast, integrated ticketing, as well as the commissioning of the North Queensland stadium.

In November 2018 the task force then presented its final report to government containing 36 recommendations. The final report identified that the overall governance and accountability arrangements under the MSF Act were working well, however, proposed some legislative amendments. These amendments were to contemporise governance arrangements to ensure public and government expectations continued to be met for the management of a significant portfolio of publicly owned assets and to enable Stadiums Queensland to be more agile to improve commercial capacity. All recommendations from both the interim and final reports were supported or supported in principle by the Queensland government in 2019.

Of the 17 recommendations in the interim report, to note, 16 have been completed, with 29 recommendations from the final report completed and seven currently in progress. The bill will implement all outstanding task force recommendations requiring legislative amendments to the act—specifically recommendation 1.3 from the interim report and then recommendations 1.1, 1.2, 1.3, 1.4 and 1.6 from the final report. The remaining two final report recommendations, being 9.1 and 9.3, do not require legislative amendments to the act and are being progressed separately by Stadiums Queensland and the Queensland government.

The task force identified that future developmental opportunities may exist at Stadiums Queensland venues which could be used to generate additional sources of revenue for SQ or its leaseholders from operations that are compatible with SQ's business and may provide broader benefits to the community.

Under the MSF Act, Stadiums Queensland may use its property for reasons other than performing its functions only with the minister's prior written approval. Clause 3 of the bill amends the functions of Stadiums Queensland under the act to allow it to manage, operate, use or promote facilities and facility land for a community purpose.

The Kool Beanz childcare centre at Metricon Stadium is a new state-of-the-art child-care facility expected to open at the end of this calendar year and is a great example of Stadiums Queensland diversifying the use of their land at its venues to provide commercial and community benefit into the future. This amendment will provide Stadiums Queensland improved commercial agility by allowing for similar projects in the future that support its statutory responsibilities under the act.

Clause 7 of the bill amends the act to specify the skills and experience required for individuals to be appointed to the board, thereby ensuring that the SQ board has a strong mix of skills and experience to support its activities. The bill also clarifies that a spent conviction does not disqualify a person from becoming or continuing as a director of the SQ board which is consistent with other legislation. Whilst this amendment did not form part of the original recommendations made by the task force, it was proposed by SQ during the consultation of the draft version of the bill.

Clause 11 of the bill amends the act by inserting two new definitions for 'conviction' and 'spent conviction'. Following agreement with SQ, clause 9 of the bill amends the act by reducing the number of statutory annual board meetings from at least 12 times a year to at least nine times a year to improve governance efficiencies. This amendment responds to the task force recommendation that the rate of remuneration for the board be increased to a level comparable with similar boards across Australia and consistent with the board's role, function and risk. The task force found that the Stadiums Queensland chair and directors were paid significantly less than their interstate counterparts, specifically Venues NSW and Western Australia's VenuesWest.

Currently the SQ board chair receives \$35,000 per annum and directors receive \$15,000 per annum in accordance with their remuneration procedures for part-time chair and members of Queensland government bodies. In 2019 a remuneration increase was considered by government, however, was not endorsed for progression to Governor in Council at that time.

Clause 5 of the bill amends the act by providing that the responsible minister can approve Stadiums Queensland property transactions rather than the Governor in Council which is currently required under the act. This amendment will improve Stadiums Queensland's ability to achieve the best results in the commercial property market outside of time frames involved with securing Governor in Council approval. This provision, to note, is not intended to override existing approval conditions under section 61A of the Statutory Bodies Financial Arrangements Act 1982.

Clause 3 of the bill amends Stadiums Queensland's function under the act to enable Stadiums Queensland to tender for third-party contracts associated with venue management and operations of Stadiums Queensland as well as other assets owned by the shareholding minister's department where this does not adversely affect their core business. Stadiums Queensland is an experienced venue manager and operator and its expertise in these functions is currently underutilised.

Throughout the pandemic SQ helped our state to shine. They helped national sporting codes to literally carry out their seasons. In fact, in 2021 more than three million patrons went through the turnstiles for events at SQ venues.

SQ's powers are currently restricted to certain facilities of particular third-party venues. However, the task force identified opportunities for Stadiums Queensland to better use its expertise and improve its commercial position by tendering for contracts to undertake work on land that it does not own. For example, this could allow Stadiums Queensland to provide venue management and maintenance services at commercially competitive rates at venues like the Townsville Sports Precinct, which also sits in the shareholding minister's portfolio.

Final report recommendation 1.6(a) proposed the act be amended to provide the responsible minister with powers to provide a charter letter to Stadiums Queensland. As the authority is already legislated to operate effectively in alignment with its statutory objectives and government strategic priorities under the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2019, it was agreed following consultation with Stadiums to implement this recommendation through an administrative arrangement rather than a legislative amendment. This administrative arrangement will see the responsible minister exchange letters with the board outlining government policies and priorities as well as government strategic intent for SQ facilities.

Section 6 of the bill provides the minister powers to direct Stadiums Queensland on strategic matters and matters of public interest. This, for example, may allow the minister to direct Stadiums to make major sport or event facilities available to host major events such as the Commonwealth Games or Olympic and Paralympic Games. The bill further prescribes that the minister must consult the board prior to issuing any direction. The amendment also provides that the minister may seek information on reports or matters of state interests. To promote transparency and accountability, the bill also amends the act to require SQ to outline within its annual report a summary of each direction and how it complied with that.

Finally, clause 10 of the bill provides transitional arrangements in relation to Governor in Council approvals which will allow approvals before Governor in Council at the time of the amendments coming into effect to be approved.

In closing, amending the act to implement the recommendations will increase Stadiums Queensland's ability to operate in an effective, contemporary, commercially agile and responsive manner. It will also support Stadiums Queensland to continue to attract world-class events that provide quality spectator and fan experiences. That was probably not as short an introduction as you may have been expecting.

CHAIR: Thank you, Deputy Director-General. We now turn to questions.

Mr STEVENS: Mr Sly, you mentioned Metricon Stadium. As somebody who was very much a part of the whole process of saving that land, I have been a little disappointed to see the change to commercial activity in the area of Metricon Stadium. As you would be aware, no matter what sport it is, finding available land in fast growing cities is very difficult. A question I have in terms of the longer term commercial development of these very important sites that you have—and you missed Cbus when you were talking about important sites—

Mr Sly: Yes, I did. That was remiss of me, Deputy Chair.

Mr STEVENS: You also said there were 36 recommendations, whereas I believe there were 53 in the first report in 2018. That is what your submission said.

CHAIR: There was a bit of parochial commentary there. Is there a direct question?

Mr STEVENS: The question is coming, Chair. Just wait. The question is: in relation to these important sites that will now be allowed to have commercial activities on them, does this bill allow you to sell that land to individual operators or does Stadiums Queensland have to retain ownership and lease the properties out? Does this bill give you the ability to sell a block of land and put a childcare centre or any of those sorts of facilities on other important sites that Stadiums Queensland run?

Mr Sly: That is a very good question. Can I come back to you before 11.15 am?

Mr STEVENS: Certainly. Thank you. In terms of the either 36 or 53 recommendations, that was in 2018. We are four years down the track and we have not seen the necessity to adopt those initial recommendations prior to this time. Why did we have this hiatus, if you like, in terms of the importance of moving stadium sites to commercial activities? Has there been a plan done of commercial developments of any of these sites, even if it is a draft plan?

CHAIR: There are two questions there. I will give you some latitude, Deputy Director-General, to answer those multiple questions.

Mr Sly: I probably can correct the record. There are 53 recommendations, which involved admin and legislative changes and capital works which required engagement with a range of stakeholders such as police, Transport and Main Roads and, of course, Stadiums Queensland. All of the recommendations were considered by government and supported or supported in principle in 2019. Most of those have been implemented. It is just the final seven that we need to get through now as part of this bill. There has been time but it is post extensive collaboration between government and SQ regarding the scope and so forth. I think they are definitely still relevant and important in making sure that Stadiums Queensland is as contemporary as it possibly can be.

Mr STEVENS: Has there been a draft plan done for any commercial activities on any of the sites?

Mr Sly: Stadiums Queensland are responsible for it. Certainly they do have master plans for all of their venues. That would include some commercial activities and so forth. It is all subject to funding and future government consideration.

Mrs McMAHON: In relation to the commercial outcomes and leaseholders, notwithstanding the status of ownership or leasing or sale, in terms of aligning those commercial opportunities with social or community benefit—it is a fairly nebulous term—how does Stadiums Queensland identify social or community benefit and how is that recorded, measured and determined?

CHAIR: Within the board process?

Mrs McMAHON: Yes.

Mr Sly: I think that is still a work in progress in terms of how that will be documented in the process. The department will work with Stadiums to do that. Obviously social and environmental impact is a big part of that, as well as commerciality. Stadiums definitely take that very seriously in terms of their obligations and those sorts of things. I think the answer is that the department will work with Stadiums to come up with that process to make sure it then complies with the definitions in the act.

Mrs McMAHON: For example, commercial benefits might be increasing the sale of goods, food and that kind of thing on a precinct. Most punters do complain about the cost of a pie and chips at stadiums.

Mr Sly: Yes. We have all been there.

Mrs McMAHON: Yes, we have. In this particular amendment, what is in it for the average ticket holder going to a venue? Are we looking at increased competition? Would that be something in terms of a social or community benefit for the actual users of the stadium to have greater choice and more competition in terms of providing goods and services on the precinct?

CHAIR: That is an important question for my constituents.

Mr Sly: Yes, I would say would be the answer to that. As much as it needs to be commercial, it also needs to have that other side which is to give back to community. Yes, I think is the short answer. It will need to do both. There is healthy food that is going through at the moment as well, to make sure the average punter has a quality experience and they can do that in a healthy way. In terms of some commercialisations, I think that would help in terms of increasing competition.

Mr TANTARI: I note that the Stadium Taskforce final report has a recommendation to increase the rates of remuneration for the Stadiums Queensland board chairperson as well as for members. Can you please advise the committee whether key performance indicators, KPIs, for the chairperson and members have been aligned with the proposed rate increases?

Mr Sly: Yes, I think is the short answer to that. At the moment there is no approval to increase the rates for the chair and the directors but that is still before government at the moment. I would say yes. KPIs, like they are for statutory boards, would be implemented to make sure that the chair and the board of directors are actually achieving what they are meant to be achieving.

CHAIR: What is the comparative quantum of the other states that have those boards? Is it significantly different?

Mr Sly: Yes. I can give you some of the details. Stadiums Queensland now have 10 venues. They have an asset base in FY 2017 of \$1.8 billion and the chair is paid \$30,000 and members \$15,000. Venues NSW at that time had five venues with \$273 million, and their chair was being paid \$60,000 and their members \$30,000. VenuesWest, as another comparison, had 13 venues at \$1.93 billion and their chairperson was on \$46,373 and their members \$30,167. That is a fair bit less in terms of Stadiums Queensland.

CHAIR: We always do a better job in Queensland.

Mr CRANDON: What constitutes a meeting? We are talking about reducing from 12 meetings a year to nine. Twelve is a bit of a stretch. I get that. Christmas and New Year for a start disrupts things like that. What constitutes a meeting? Corporate Australia are not required to have any number of meetings, to be perfectly frank, in a year. What constitutes a meeting for Stadiums Queensland?

Mr Sly: It is a formal board meeting that constitutes one of the nine. That does not include their subcommittees like audit and risk or remuneration et cetera. It is nine formal meetings of the board.

Mr CRANDON: Is there a time line on that—that they must meet for at least an hour or for half a day?

Mr Sly: There is no time but I can assure the committee from the papers I have seen and their comprehensiveness that they certainly go for a significant period of time.

Mr CRANDON: So they earn their dollar.

Mr Sly: They earn their dollar. Yes, I would say so.

Mr STEVENS: The Auditor-General has brought down a report on board positions in relation to qualifications, remuneration et cetera. The government has said that it would be implementing most of those recommendations, as I understand it. How does this particular change in this bill fit in with the requirements of what the government has committed itself to do as a result of the Auditor-General's report?

CHAIR: We welcome our school visitors in the gallery who are watching our committee today. I give a warning to the deputy chair to be on his best behaviour in front of our esteemed guests!

Mr Sly: Clause 7, which amends section 14 of the act, will define the skills and experience required to be appointed to the SQ board, thereby ensuring that the board has the relevant skills required to support SQ's activities and responsibilities. Should SQ assets increase to support the hosting of Brisbane 2032, the government may consider a remuneration review appropriate at that time to reflect the additional portfolio responsibilities, with remuneration arrangements to be commensurate with size, complexity and responsibility. That is how it will align with the findings of that report.

CHAIR: What section was that?

Mr Sly: Clause 7 of the bill.

CHAIR: For those in the gallery following the bill, we are on clause 7.

Mrs McMAHON: I have two questions around the board and the roles of the chair and the members. The briefing indicates that the reduction of meetings from 12 to nine will increase governance. That seems a little counterintuitive to have fewer meetings but increased governance. What is the rationale behind the reduction?

Mr Sly: I think in part it was, as the member for Coomera suggested, that Christmas-New Year period when it is difficult to have meetings. I would say that it is probably the quality of the meetings versus the quantity of the meetings that is going to get the best governance and probity et cetera for the board.

CHAIR: At this stage, looking at the agendas, it seems that they have fairly comprehensive meetings as it is.

Mr Sly: Yes.

Mrs McMAHON: If we get a scoreboard update on the recommendations following this particular amendment—some had already been implemented, some were in progress and now we have this bill—with the potential introduction of this bill, where are we at with all of the 53 recommendations?

Mr Sly: There will only be two left. They are 9.1 and 9.3, which do not require legislative amendment. Recommendation 9.1 reads—

All Stadiums Queensland annual operating grants and annual general capital grants should be indexed by CPI on an annual basis.

Recommendation 9.3 reads—

Stadiums Queensland approach Councils to seek a rates exemption on the basis that 100% of savings would be directed to 'around the venue' upgrades and enhancements to traffic and accessibility in those local government areas that grant such exemption.

I believe they are both still a work in progress.

Mrs McMAHON: In summary, with the introduction of this bill, we see the closing off of the task force recommendations?

Mr Sly: Yes.

Mr STEVENS: In your submission, Mr Sly, final report recommendation 1.3 provides that the responsible minister can approve the sale or purchase of property by SQ. Does that mean the sale of your major facilities—10, I think it was?

Mr Sly: Yes.

Mr STEVENS: Does that mean that Stadiums Queensland could actually sell one of these major properties with the minister's approval?

Mr Sly: If the bill is assented, the minister and Treasurer will be required to approve SQ's property dealings in any transactions that require any proposals to demonstrate community benefit prior to ministerial approval. Willows, the former 1300SMILES, would be an example of where an asset is currently in the process of being divested. In that case it is actually being divested to government. It will come off Stadiums Queensland books and on to a different department's balance sheet for a different purpose.

CHAIR: What is the difference in the process between before the passage of this bill and afterwards? Obviously that is already under way?

Mr Sly: Governor in Council approval.

CHAIR: A shift between the Governor in Council and the minister and Treasurer?

Mr Sly: Yes.

Mr STEVENS: You mentioned Willows. The responsible minister under 1.3 recommends that Willows can be sold or transferred, if you like, to the government and then the government can make its own decision about what it does with Willows?

Mr Sly: Yes.

Mr STEVENS: That is the total extent of what is envisaged with this particular type of recommendation?

Mr Sly: At the moment. I can get you a detailed answer but I do not think there is any plan at the moment to divest other assets.

CHAIR: It would be fair to say that, as much as they were taking it to Governor in Council, there is not much difference in the scope and certainly no further plans?

Mr Sly: No, it is probably just time frame.

Mr TANTARI: My question is in regard to the make-up of the board—the qualifications and experience of the board itself. In particular, I am interested in meeting the targets that the government sets regarding diversity on boards. With the make-up of the board now, are there any gaps in that diversity area and how are you going to go about ensuring that diversity is represented on the board?

Mr Sly: The current membership of the board comprises Cathy McGuane as the chair, as well as Sharron Caddie, Mandy Shircore, Brendan O'Farrell, Sharon Finnan-White OAM, John Warn and Peter Hyland. Two current appointments expire on 30 June 2023, with the remaining five expiring in 2024. At the moment there is a good gender diversity. As we know, the government is committed to that fifty-fifty gender diversity, so that would be something that will continue.

Mr TANTARI: I am also interested in the diversity of the make-up of the board in regard to ethnicity, potentially those from a First Nations background. Does the current make-up of the board represent that diversity or will you be moving towards that?

Mr Sly: Yes. Sharon Finnan-White is Indigenous—so, yes, First Nations people are represented on the board currently. The SQ board currently includes First Nations representations. Four out of seven directors are female—so 57 per cent, which exceeds the government's women-on-boards target of 50 per cent. Given existing government diversity policies, it is considered unnecessary to progress specific diversity legislative amendments to the act at this time. This would also fall outside the original policy intent behind final report recommendation 1.1.

As part of future significant appointment processes, there may be opportunities to increase diversity on the board—for example, through the department undertaking expanded and/or targeted searches from the Queensland Register of Nominees to Government Boards and/or promoting vacancies through First Nations and disability networks. No legislative amendment would be required for this to occur. It also comes back to the principles of constituting a good board in line with things like the Australian Institute of Company Directors' guidelines and so forth.

Mr TANTARI: Is there regional representation on the board?

Mr Sly: Yes, there is. Sharon Finnan-White is from North Queensland.

Mr STEVENS: Mr Sly was coming back to me with some advice on the sale of properties. Is the childcare centre at Metricon a leased property to the operator of the childcare centre?

Mr Sly: Yes.

CHAIR: I think we dealt with that question in respect of the structure, whether it was Governor in Council or the minister.

Mr STEVENS: No. That was a different question.

CHAIR: I am seeking clarification from the deputy chair.

Mr STEVENS: It is a different question. For instance, they have noted cafes and things like that. You could sell a freehold property as part of Suncorp Stadium. I use that as an example. It will not happen but that was the question. I need to know about the sale of public land.

CHAIR: My understanding, to summarise, is that there were plans to do it. The only transfer that was in train was the 1300SMILES to—

Mr STEVENS: No. The question was: does this bill give the capacity to sell property currently owned by Stadiums Queensland to commercial operators?

CHAIR: We have had the answer. I will give the deputy director-general another chance to answer the same question which we have already dealt with.

Mr Sly: Yes. The bill changes it from a Governor in Council approval back to a minister and Treasurer approval to sell the land. In terms of the childcare centre, my understanding is that that is leasehold, not a sale.

CHAIR: There being no further questions, thank you for your appearance here today. There were no questions formally taken on notice. I thank our Hansard reporters and broadcast staff for their assistance. I note that a transcript of the proceedings will be available on the committee's parliamentary webpage in due course. I declare this public briefing closed.

The committee adjourned at 11.10 am.