



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: ABC Perth accommodation project, East Perth, Western Australia**

MONDAY, 16 OCTOBER 2000

PERTH

BY AUTHORITY OF THE PARLIAMENT

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## JOINT COMMITTEE ON PUBLIC WORKS

Monday, 16 October 2000

**Members:** Mrs Moylan (*Chair*), Mrs Crosio (*Vice-Chair*), Senators Calvert, Ferguson and Murphy and Mr Forrest, Mr Hollis, Mr Lindsay and Mr Ripoll

**Senators and members in attendance:** Mr Lindsay and Mrs Moylan

### Terms of reference for the inquiry:

ABC Perth accommodation project, East Perth, Western Australia.

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**Committee met at 2.37 p.m.****DUNCAN, Mr Geoff, State Director, Australian Broadcasting Corporation****KNOWLES, Mr Colin, Director, Technology and Distribution, Australian Broadcasting Corporation****MARTIN, Mr Kym, Acting Head, Property and Support Services, Australian Broadcasting Corporation****MOORE, Mr Raymond, Project Director, Australian Broadcasting Corporation****PENDLETON, Mr David, Head, Finance, Australian Broadcasting Corporation****SHORT, Mr Lindsay, Design and Construction Consultant, Australian Broadcasting Corporation**

**CHAIR**—Good afternoon to everyone. I declare open this public hearing into the proposed ABC Perth Accommodation Project at East Perth, Western Australia. This project was referred to the Public Works Committee for consideration and report to parliament by the House of Representatives on 31 August 2000. In accordance with subsection 17(3) of the Public Works Committee Act 1969:

(3) In considering and reporting on a public work, the Committee shall have regard to the following:

- (a) the stated purpose of the work and its suitability for that purpose;
- (b) the necessity for, or the advisability of, carrying out the work;
- (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
- (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
- (e) the present and prospective public value of the work.

Today the committee received a briefing and inspected the site of the proposed work and we will now hear evidence from the ABC, the West Australian Symphony Orchestra, the Ministry for Culture and the Arts, ACROD and the Heritage Council of Western Australia.

On behalf of the committee, I take this opportunity to welcome the witnesses. The committee has received a submission from you dated 15 August 2000. Do you wish to propose any amendment to your submission?

**Mr Moore**—Yes, Madam Chair, we do. We have forwarded previously a list of amendments to the evidence. We have two further amendments that I would like to read today and have tabled as well. They are page 23, paragraph 116, fourth sentence: delete ‘Studio 61 is too small for modern television production and has not been used for some years’ and insert, ‘Whilst the very small size of studio 62 limits the scope of production in that area, small-scale programs

such as *Consuming Passions*, *Lateline*, *Snapshots* and sporting segments are frequent users of this studio.'

**Mr LINDSAY**—You said 62 but you meant 61?

**Mr Moore**—161.

**Mr LINDSAY**—No, you said studio 62 in what you were putting in.

**Mr Moore**—Yes.

**Mr LINDSAY**—But you meant 61.

**Mr Moore**—No, sorry. There was a confusion about the studio numbers as well previously. The production studio is 62.

**Mr LINDSAY**—Okay.

**Mr Moore**—And then there is a further amendment on page 23, paragraph 117, the first sentence: delete '62' and insert '61'. That is all, thank you, Madam Chair.

**CHAIR**—Thank you. It is proposed that the submission dated 15 August 2000 be received, taken as read and incorporated in the transcript of evidence. There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission, after which we will perhaps have some questions.

**Mr Moore**—I am pleased to present the summary statement of evidence about the ABC's proposal to consolidate and improve its Perth accommodation and facilities in a way that meets its organisational and strategic objectives. These objectives include generating revenue for the ABC's digital conversion program, restructuring of the corporation into a content led organisation capable of meeting the challenges of a changing media environment, enhancing the corporation's production capacity and output in centres outside of Sydney and Melbourne, maximising the efficiency and effectiveness of the organisation and addressing the particular problems and inefficiencies relating to its existing accommodation in Perth.

The proposal before the Parliamentary Joint Committee on Public Works is for the replacement of inadequate buildings and facilities at 191 Adelaide Terrace, Perth, with accommodation at Fielder Street, East Perth, that is functional, adaptable, digitally equipped and designed to maximise efficiency, productivity and creativity. The proposed development will meet the corporation's current and future needs to deliver comprehensive radio, television, online and new digital services. It will provide the following benefits: (1) the effective co-location of Perth based staff and facilities to enhance opportunities for cross-media content, development and program research; (2) improved production efficiency through better building layout, physical proximity and custom design facilities; (3) improved facilities to enable the ABC in Western Australia to produce more state based programming, as well as providing specialist programs for a national audience; and (4) further rationalisation of the ABC property portfolio. The timely disposal of the existing ABC Adelaide Terrace site in Perth, with its significant potential for commercial and residential development, will generate revenue to support the corporation's digital conversion program.

The buildings currently occupied by the ABC on its Adelaide Terrace site are no longer suitable for the functions they house. Ad hoc development over the first 40 years has resulted in six separate buildings on different levels, with consequential difficulties achieving appropriate functional relationships for the new media environment. These buildings have been adequately maintained with ongoing remedial works to address OH&S and other concerns. However, they still contain some inherent problems, including isolated asbestos contamination, old and unreliable building services and poor access.

The preferred development option was chosen following extensive review of various accommodation options and a public expression of interest process requesting the market to provide a range of solutions. Independent analysis indicated that it would not be cost effective or practical to rehabilitate and maintain the existing buildings to modern standards. On-site redevelopment would be very costly, would cause severe disruption to ongoing operations and would not achieve the desired efficiency of departmental layouts or interrelationships. Redevelopment of the existing site would also yield little, if any, surplus land for sale. The alternative to redevelopment is the construction of new ABC facilities on a greenfields site and the disposal of the existing ABC site.

Construction is proposed on a site at East Perth which is to be purchased from the East Perth Redevelopment Authority. The proposed design includes a two-level office and technical zone, with undercroft parking, a major acoustic zone and an area for technical workshops, stores, a

communications tower and ongrade parking for radio and television outside broadcast vehicles. The proposed design meets the ABC's functional brief and conforms to the technical requirements of local authorities. The building will be designed and constructed according to the building code of Australia and relevant Australian standards.

Facilities to be provided include a television studio of 200 square metres and associated control room for general production; a television news and current affairs studio of 100 square metres and associated control room for news and current affairs production; a music studio of 218 square metres, providing space for 30 to 50 players and retractable seating for an audience of approximately 150 people; a performance studio of 75 square metres for the production of radio drama, spoken word and music programs; a co-located radio and television presentation and transmission centre; an integrated television post-production centre; and office accommodation and facilities for some 230 ABC staff.

Subject to parliamentary approval, it is anticipated that construction will commence in March 2001 and be completed by the end of 2002. The proposal does not include facilities for the West Australian Symphony Orchestra. The ABC is providing financial assistance to WASO for the implementation of alternative accommodation arrangements for the orchestra.

The estimated out-turn cost of the ABC Perth Accommodation Proposal is \$25.7 million. The ABC will not be seeking additional funding from government to implement the project. Funding for the new development will be sourced from forward capital budgets and borrowings. Under present funding arrangements and levels there will be no impact upon current program funding.

In developing this proposal, the ABC and its consultants have contacted interested individuals and groups, including ABC staff and unions, industry organisations and East Perth residents, and have conducted preliminary discussions with government and local authorities with statutory responsibility over the locality and services. We note that the committee has received submissions from the Australian Heritage Commission, the West Australian Ministry for Culture and the Arts, the West Australian Symphony, ACROD, the East Perth Redevelopment Authority and Environment Australia. The ABC has provided responses to the submissions from the Ministry for Culture and the Arts, the West Australian Symphony and ACROD. We seek to table those responses. We also seek to table correspondence to the committee relating to proposed changes to the schematic design included in the statement of evidence.

The ABC believes that this proposal represents the most appropriate, timely and cost-effective solution. The ABC therefore respectfully submits the proposal for the committee's consideration and seeks its endorsement.

**CHAIR**—Thank you very much. I would like to perhaps start off the questions with three questions around the most contentious issues in this referral, and that is in relation to the West Australian Symphony Orchestra. I wonder if you could outline, please, the options that you consider, because I note in paragraph 80 of your submission that you say you assessed the viability of including the WA Symphony Orchestra in the various options. Could you outline for us the detail of the various options assessed and the specifics of how you made that assessment. Was it a cost-benefit analysis?



**Mr Moore**—Yes, certainly, Madam Chair. If I could talk in broad terms, and then I would like to call on my colleague, Kym Martin, to talk about the specific options that were addressed. In 1997 we went to the market, seeking broad expressions of registrations of interest in the development of new facilities for the ABC in Perth. At that time that call for registrations of interest also called for an option for the inclusion of the West Australian Symphony Orchestra in the proposals that were sought. The range of proposals that were sought was left to the market to respond, and they could range basically from the redevelopment of this site through to proposing a greenfields development with the ABC and WASO and also looking at leased and own options to be proposed as well.

As a result of the registrations of interest we received a number of registrations. A number of those were basically from architects and real estate agents, which we discounted. There were three serious respondents that we short-listed, with the approval of the ABC board, and we then sought firm registrations of interest, including pricing, from those three. The assessment of the viability of including the orchestra in the development was taken at that time. I will call on Mr Martin at this stage to just talk about the specific proposals that we received and the particular areas that were proposed.

**Mr Martin**—Of the six initial submissions, three did not really contain much substance. I will run through them very briefly. We had an offer from Chesterton which was only interested in helping us market this particular site. Robert Hart Architects were offering development of a film and television studio, which was a bit of a hypothetical situation because they did not have a commitment from a major film studio so it was not a viable proposition. Lend Lease offered development at Shenton Park, which could have included accommodation for WASO, but the land was owned by UWA and they did not have any firm commitment to owning the land and they had no offer to purchase the site. Therefore, those three offers were rejected as not having reached any substance.

The three offers of firm substance from Fini—which we are looking at now—Phoenix Properties and Peakhurst, which finished up being Roche, for Victoria Park. Their proposal could have included accommodation for WASO. They were offering a 21-storey building and were intending to spread the ABC over six floors. That was not considered a viable submission. Of the other two proposals—Fini and Phoenix Properties—the Fini site at East Perth which is on offer and we are looking at at the moment was really considered too small to include the WASO proposal. It is tight for our own development. It works, but there is really no spare space on the site and there is no spare land available to fit WASO.

The proposal from Phoenix at West Perth had spare land which could have been purchased to accommodate WASO. There would have been a penalty from the ABC of an additional \$5 million to go to the Phoenix proposal. The land was approximately an extra \$2½ million, and there was an additional \$2½ million in construction costs, so that there would be an up-front penalty of \$5 million for the ABC before we even looked at WASO. That was not seen as a financially viable proposition for the ABC to get into. So there was not room at the East Perth site that the ABC was opting to go to and the alternative was a \$5 million penalty.

**CHAIR**—I have three questions before I ask Mr Lindsay for some questions. I understand that about 1800 square metres on that current site have been allocated for car parking and that the Western Australian Symphony Orchestra require 1300 square metres. Is there some way that

you could have incorporated the Western Australian Symphony Orchestra on that site if you made other arrangements for parking?

**Mr Moore**—It would be physically possible to include the WASO on that site but it would significantly impact on the way the site was functioned as an ABC facility.

**CHAIR**—Can you elaborate on that?

**Mr Moore**—Yes, certainly. One of the requirements of WASO is obviously for a rehearsal hall. That rehearsal hall would have to be in the order of 450 to 600 square metres and 12 metres high. That has a significant impact on the planning of the building as such.

**CHAIR**—In what way?

**Mr Moore**—In terms of spreading probably over three floors, a three-floor height studio, so that it not only affects one level; it affects three levels of building. If we are talking about a 600-square metre studio, which is the size of studio that we have standardised for the symphony orchestras in Sydney and Melbourne—and that is certainly the size required to contain the amount of volume that an orchestra of that size generates—then we are talking about 1800 square metres of space over three levels that are taken up by just the structure of that hall, so it does have a significant impact on the planning of the building.

The other thing, I think, that really makes this not viable is the financial penalty of providing that sort of facility in a building which is housing other functions as well. By our estimation you could probably provide the same facilities that the Western Australian Symphony Orchestra has on this site on a greenfields site for somewhere in the order of \$6 million. Putting it into a building such as we are talking about at East Perth, on a site which is fairly restricted in its size, would probably result in a penalty somewhere in the order of \$2 million, because not only does WASO bring with it its office accommodation, as you are seeing in that area, car parking would be a difficulty as well and it is quite probable that we would have to include additional car parking in the building to accommodate WASO's requirements. So that brings with it a number of financial and planning issues for us on that site.

**CHAIR**—We might come back to the car parking later. You have just mentioned about Sydney, which raises another question. If the development were to proceed, will the Western Australian Symphony Orchestra be the only symphony not housed within an ABC complex in Australia?

**Mr Moore**—No, it will not be. The Tasmanian Symphony Orchestra will be housed in a separate auditorium from the ABC in Hobart.

**Mr LINDSAY**—Provided by the ABC?

**Mr Moore**—No, not provided by the ABC.

**CHAIR**—What is the ABC contributing to the Tasmanian facility?

**Mr Moore**—In the order of \$600,000.

**CHAIR**—All right. The last question is rather a lengthy one. You state again in para 80:

Following extensive joint management review, it was reported to the ABC Board that:

- The inclusion of WASO in a new ABC development was not financially viable and space on the preferred East Perth site was not available. The cost of the building and fitout required to accommodate WASO and its rehearsal facilities was estimated to be in the range of \$5.0M—

which we have just heard about—

to \$15.0M—

and you have just talked about \$6 million, so we are somewhere in the middle there—

for the various options available.

- A sum of \$0.5M had been factored into the project cost estimates and financial analysis to assist with the fitout for alternative WASO accommodation.
- Rental costs for alternative accommodation in the preferred WASO locations were expected to be similar to the occupancy costs paid to the ABC by WASO at Adelaide Terrace.
- The ABC Property Group would continue to work with WASO to assist with accommodation options.

I note you did not provide to this committee, that I am aware of, any copy of the management review report. Would you be able to provide that for the committee?

**Mr Moore**—Yes, certainly we can.

**CHAIR**—It certainly would be helpful to us in properly analysing the concerns about the housing of the Western Australian Symphony Orchestra. I am sure Mr Lindsay has a number of questions so I will stop there at the moment.

**Mr Moore**—Certainly, Madam Chair.

**Mr LINDSAY**—Gentlemen, I am mindful of the time. You will need to have short answers, please. To clear up the matter about Tasmania, evidence given to the committee says that the TSO is currently housed in the old Odeon Theatre owned by the ABC. Your evidence is that it is not provided by the ABC. Who is right?

**Mr Moore**—No. The Odeon Theatre has now been sold by the ABC in the last couple of months.

**Mr Martin**—Since that paper was written, the TSO have relocated to new premises on 1 October in the Grand Chancellor Building. There was a special development put together there and they sourced their own funding to achieve that.

**Mr LINDSAY**—Going through your submission to the PWC—and in no particular order—in the executive summary you say that the objective you have to consolidate and improve Perth accommodation is to generate revenue for the ABC's digital conversion program. Do you mean revenue or do you mean capital?

**Mr Pendleton**—Capital.

**Mr LINDSAY**—Capital—so you would change that. You say that you want to maximise the efficiency and effectiveness of the organisation and address particular problems and inefficiencies. What is the quantum of the savings you will make by co-locating?

**Mr Moore**—Many of them are not quantifiable. In program production areas, for instance, we are talking about people spending at least part of their day moving from place to place in this building.

**Mr LINDSAY**—They are quantifiable.

**Mr Moore**—Certainly. We have not quantified those particularly.

**Mr LINDSAY**—You do not have that information?

**Mr Moore**—No. We have done a study of building, management and running costs.

**Mr LINDSAY**—That is a \$300,000 saving?

**Mr Moore**—That is right, yes—of that order.

**Mr LINDSAY**—Normally human costs are more than mechanical costs.

**Mr Moore**—Yes.

**Mr LINDSAY**—It surprises me that you have not done that exercise.

**Mr Moore**—We have not done that exercise specifically because we were not factoring that into the financial model for the funding of this project. We are saying that we will use those efficiencies, that those efficiencies will stay with the program departments and they will achieve those separately.

**Mr LINDSAY**—You say that you want to sustain in-house production across a range of genres and you list those. How much actual production is done here in this centre now?

**Mr Moore**—I will call on Mr Geoff Duncan to answer that.

**Mr LINDSAY**—Could you deal with television specifically.

**Mr Duncan**—At the moment we do *Consuming Passions*, we do segments for *Lateline*, we do sporting segments. We produced a series last year called *Radio Pictures* which was four

half-hour television documentary programs. We have just produced another three which will be going to air in November. We have also piloted a national regional program and, without wanting to pre-empt the internal ABC commissioning process, we are very confident that that program will be successful and we think there is a very strong likelihood that it will be produced in Western Australia.

**Mr LINDSAY**—Are you talking about your evidence on ‘revitalisation of state, territory and regional based programming’?

**Mr Duncan**—I am. I am talking about that and also it is worth documenting, I think, picking up on the original amendments to our evidence on the question of studio utilisation. There was something like 102 days of studio utilisation out of our general production studio. May I add to that, if it is relevant, that the managing director of the ABC has already indicated that he wants to see more production moved out of Sydney and Melbourne to the states. He is meeting with the Premier of Western Australia next week. I am going to that meeting but I am not necessarily privy to those conversations, but I think it is fair to say that the issue of state based production will be a significant part of those talks.

**Mr LINDSAY**—Terrific. How would you compare your 102 days’ usage with commercial networks in the city?

**Mr Duncan**—It would vary. I do not have figures to hand on that. I would have thought that was comparable certainly to our competitors, but I could check on that for you.

**Mr LINDSAY**—There is a fleeting reference to WASO as we go through your evidence: you say that they have a \$9.6 million annual budget, 65 per cent sourced from state and federal governments. Do you know where the other 35 per cent comes from?

**Mr Moore**—I would assume it is from some type of sponsorship but I cannot say for sure.

**Mr LINDSAY**—I can ask WASO later on, I guess. It surprised me, when you were talking about your airconditioning system in the building, to see that it said, ‘Many small heaters were used throughout the building.’ Was that because the airconditioning was too cold and you could not turn it up?

**Mr Moore**—I think that referred more to wintertime from time to time. There are corners of this building that get very cold and do not have any sunlight and people find it necessary to use heaters.

**Mr LINDSAY**—Mr Knowles, paragraph 152 states:

In Perth, television facilities must be capable of both known digital television formats ...

There are many known digital television formats.

**Mr Knowles**—I think what that means to say is that the Perth television studios must be able to produce both standard definition and, ultimately, wide screen high definition. We are not at this stage intending to, in fact, equip the studios here for high definition. That is a bit of an open

question in terms of affordability at this moment. However, we would have the facility to produce high-definition programming here, if we needed to, by using portable cameras.

**Mr LINDSAY**—So the electronics cabling and whatever will all be suitable for HDTV but you just will not have the camera source, the vision source?

**Mr Knowles**—We will not even be putting vision switches and the like in here for HDTV production. Indeed, the first studios we are building for HDTV will in fact be in Sydney, and then ultimately Melbourne, and we will see how that goes and how the prices fall before we actually get into that in a major way. That is consistent with our current major productions for which we use film; for example, we currently use film in Sydney and Melbourne.

**Mr LINDSAY**—One of the purposes of moving is to cope with digitalisation. Does that then mean that you will build a facility that in fact will then have to be changed?

**Mr Knowles**—The infrastructure, the cabling qualities and so forth, would in fact enable us to run HDTV into it. With the equipment we are purchasing, if we chose to run HDTV we could in fact add new cards to the racks and the like and then, of course, equip it with the relevant cameras, so the possibility exists. In fact, HDTV sourcing will be flowing through the building, because we will be transmitting HDTV source to our transmitters from here.

**Mr LINDSAY**—Is your evidence, being responsible for the technical and distribution aspects, that you are satisfied that this development, from your perspective, will meet your requirements for the next 10 to 15 years?

**Mr Knowles**—Yes. We are in fact designing it to do that.

**Mr LINDSAY**—With respect to your ability to ready for digital television on 1 January, if this new building is approved it will not be completed until 2002.

**Mr Knowles**—We are currently fitting digital equipment into this building, to the extent we need to, to meet the 1 January deadline. Essentially, that requires us to transmit in the digital format through a digital transmitter. We will source some of that material by the conversion to digital of our existing analog output. In other cases, we will be taking digital feed from the main network and feeding it into the transmitter. Meeting that requirement to be digital from 1 January does not necessitate that everything in the place has to be digital from that time, but we are fitting up digital control rooms and the like to do that. So there is a little bit of double-up, if you like, in terms of being ready for the present arrangement and then ultimately moving to the new one.

**Mr LINDSAY**—Mr Moore, the purchase agreement or the option to purchase the land expires on 30 November. What occurs if PWC approval is not provided by 30 November?

**Mr Moore**—We will have to go back to EPRA—the East Perth Redevelopment Authority—which are selling the site to us, and endeavour to negotiate an extension of that.

**Mr LINDSAY**—Do you expect any problems in relation to that? Do you expect anything to change?

**Mr Moore**—We cannot speak on their behalf, but certainly we have every indication that EPRA would like us to be in that area.

**Mr LINDSAY**—You believe they would extend the option?

**Mr Moore**—I have not discussed that specifically with them.

**Mr LINDSAY**—Is that a risk to this project?

**Mr Moore**—It is a risk in as much as, for this particular proposal, it would mean that we would have to look at alternatives if they were not prepared to extend that option.

**Mr LINDSAY**—In 1.99, Digital Preparation, you have claimed that co-located radio and television transmission facilities are a prerequisite for digital broadcasting. Is that in fact true?

**Mr Knowles**—That probably is a little bit of an extreme suggestion.

**Mr LINDSAY**—Thank you, Mr Knowles. Do not say any more. In Consultations, 1.8, you have listed all the people you had consultations with. Am I right that I cannot see WASO on that list?

**Mr Moore**—That is possible. That would be an oversight, then.

**Mr LINDSAY**—It would be a fairly big oversight, wouldn't it?

**Mr Moore**—Yes, that is an oversight.

**Mr LINDSAY**—In the cost estimate there is no GST. That is because you are not subject to GST?

**Mr Moore**—I will ask David Pendleton to comment on that.

**Mr Pendleton**—No, the ABC is subject to GST. These costs would need to include GST. The GST is a cash flow funding issue for the ABC. Any charge that would be levied on us just flows back through as a credit in terms of the GST cash flow.

**Mr LINDSAY**—Your evidence here at 2.11 says that the estimate excludes any GST related costs, but you are asking us for \$28.5 million. Are you saying plus GST related costs?

**Mr Pendleton**—The actual net cost at the end would be the \$28.5 million. The GST cost on each individual transaction would flow back through.

**Mr LINDSAY**—But that is not your evidence here and what you have given to the committee. You have talked about the cost being \$25.7 million, and you and I know where that figure comes from, and that estimate excludes GST related costs. That is your evidence. Is that wrong?

**Mr Pendleton**—No.

**Mr Moore**—No, that is right, that excludes GST.

**Mr LINDSAY**—So it would be more?

**Mr Moore**—We would pay GST initially but then it would be refunded back to the ABC so, as Mr Pendleton said, that is the final net cost of the project.

**Mr LINDSAY**—I am sorry, I did not understand that. You get your GST back?

**Mr Moore**—Yes, we do.

**Mr LINDSAY**—So that is not relevant?

**Mr Moore**—I do not believe so, no.

**Mr LINDSAY**—Under 2.21, Technical Information, you talk about a music studio, performance studio, and a television production studio, but on page 46 of your submission you talk about a TV news studio. Is there some reason that you have separated the TV news studio from a television production studio?

**Mr Moore**—Basically they are two separate studios. The reason the TV news and current affairs studio is not included in the prior section is that we were talking specifically about general production. The news and current affairs television studio will actually be located within the newsroom in the new building. It will be a 100 square metre studio.

**Mr LINDSAY**—Leaving your statement of evidence previously provided and looking at the site that you are proposing to go to, I put the following to you. You have an intensive development on the site. There has been some evidence from Mr Martin that it is ‘tight for our own development’—they were your words earlier—that there is no room for future expansion. There are issues about parking which we will talk about in a minute. I put it to you that the site is not appropriate and that you should be moving to a site that has future development possibilities. How do you respond to that?

**Mr Moore**—Perhaps I could address that and then I will call on Lindsay Short to develop that further. There are certain optimum functional relationships that we need to achieve in developing a new site. The building envelope that we are developing is well within the guidelines for that area. In fact, we are not developing the whole of the site at this stage. There is still significant scope for building more on the site—at a cost, obviously.

**Mr LINDSAY**—But your informal evidence earlier was that the current owners required you to develop to the property boundary. Now you are saying that there is scope for more development?

**Mr Moore**—Yes. They require us to develop to the boundary certainly in terms of the facade—that is one of the design guidelines for the site—but in terms of the building envelope itself



there is still potential for additional office space if required. In fact, we would be including a small amount of additional office space for, hopefully, the future expansion of the production stream accommodating about 10 staff.

**Mr LINDSAY**—Mr Knowles, do you expect that in the next 10 years television and radio or multimedia production facilities will in fact get smaller?

**Mr Knowles**—I think the size is going to be judged largely by the number of people that we need to accommodate, rather than the equipment itself. We certainly have seen a major reduction in the amount of space taken up by technical production facilities in the last couple of years—what used to take half a dozen racks now takes half a rack—so we can certainly expect to see some shrinkage in that area. A lot more work is actually done in the general office area. For example, a lot of multimedia production work can be done via desktop whereas previously we had dedicated space. So it is a changing world in terms of how you do it and where you do it, and of course we are not quite so tied to a particular production space as we were in the past.

**Mr LINDSAY**—Mr Moore, what I am trying to get you to justify is why this site is not too small, looking to the future, why someone will not come back in five years and say, ‘Why did the government allow the ABC to develop on such a small site when now they have to move somewhere else and have two sites and will no longer be co-located?’

**Mr Moore**—Yes, okay. We certainly know there is further development potential on the site, particularly for office accommodation. I will ask Lindsay Short to talk about that. He has been advising us on the design and construction issues.

**Mr LINDSAY**—He will want us to spend \$109 million!

**CHAIR**—Can you tell us how much extra space you would expect in terms of my previous question about the possible housing of the Western Australian Symphony Orchestra?

**Mr Moore**—In terms of the further development potential?

**CHAIR**—Yes. How much additional space do you expect to be able to utilise?

**Mr Moore**—I will ask Lindsay Short to respond to that.

**Mr Short**—Madam Chair, could I just refer to the drawings, because that might help illustrate this. The design we have developed has three elements. On the ground floor plan, which is the top, right-hand drawing, you can see a grey area, which is the car park, and then there is the centre green zone, which represents the very expensive, very elaborate production studios. Then to the left of that we have a yard which houses the OB vans and servicing vehicles for the complex. They come in off the main street and can go off through the side street. On the next drawing, to the left of that, you will see—as we get to the actual floors—the blue area to the right. That is office space. Once again, there are big studios with office space in between them. The yard area, which is really to the boundary, is enclosing a circulation area.

One of the amendments we have made since putting the evidence out, as you are aware, is that we have brought the basement out of the ground. During this period we found that the

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quantity of water in the ground was so great that it did not make sense to take that risk. One of the benefits of that is that we have now created a car park at ground level. There is little public transport where we are now but we expect that to grow. As that happens, we have the option of converting some of that car park to office space. We are sizing it at a height which would allow us to put about 1,000 square metres of additional office and technical space on that floor. If you look at the left-hand side where the OB vans are to be housed, we could fit about another 600 square metres of floor space in there as well and still stay within the envelope that EPRA has set for that site.

We have a potential of about 1,600 but both of them are limited to about four metres high, so that we have managed to build into the project a potential, if we need it, and if it emerges in the future that public transport—

**Mr LINDSAY**—The OB area is not limited to four metres high. Is that right?

**Mr Short**—No, it is open. To keep those still coming in, we have an area over the top of that, so that we could put in another floor through there.

**CHAIR**—We do have a number of further questions, particularly in relation to the housing of the orchestra, but, so that we can stick to schedule, we will call WASO. Then when you come back at the end of the submissions, we can perhaps have another opportunity to question you on that. Thank you very much.

[3.23 p.m.]

**FERRARI, Ms Catherine, Chief Executive Officer, The West Australian Symphony Orchestra**

**HOLMES A COURT, Mrs Janet, Chairman, The West Australian Symphony Orchestra**

**SHER, Mr Julian, Director, The West Australian Symphony Orchestra**

**CHAIR**—May I take this opportunity to welcome you on behalf of the committee. The committee has received a submission from you dated 5 October 2000. Do you wish to propose any amendments?

**Mrs Holmes a Court**—No, we have no amendments.

**CHAIR**—It is proposed that the submission dated 5 October be received, taken as read and incorporated in the transcript of evidence. There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission.

**Mrs Holmes a Court**—Thank you, Madam Chair. The West Australian Symphony Orchestra was incorporated as a wholly owned subsidiary of the ABC on 8 January 1998. On 14 May 1999, without consultation, the ABC formally advised the orchestra that it intended to sell the current premises and relocate, with little provision for the orchestra. It offered advice on relocation and a sum of \$500,000 for fitout.

We believe it must be noted that the current premises were purpose-built for both the ABC and the WASO, with specific rehearsal space and administration space being provided to meet the orchestra's specific requirements. The provision made by the ABC in the current circumstances leaves the orchestra without the high-level facilities we require to both attract players of high calibre and ensure that rehearsals can be undertaken in optimum acoustical conditions.

Although the ABC is the owner of the premises, the WASO has always had a direct interest in the premises, being the only suitable accommodation for a full-sized orchestra in Perth. We feel rather like the baby left in the gladstone bag on somebody's front doorstep. But, unlike the baby, we are grown-up, and, upon hearing the ABC's intention, we took up the challenge to ensure a viable future and we have worked very hard to put together a business plan to secure the best possible facilities from which we can operate. This plan reflects the responsibility of federal government in regard to WASO and the provision of orchestral services to the people of Western Australia, through a capital contribution towards new premises for a Music Access Centre.

We have heard from the ABC that it is not financially viable for the WASO to be accommodated in the new premises—and the \$500,000 I have mentioned already. However, the Tribe report, in making its recommendation for divestment of the orchestras, clearly stated:

The process of divestment should be orderly, ensuring the maintenance of orchestras and the uninterrupted security and welfare of orchestra members—

of whom, as you are aware, we have around 110, including our administration staff. It went on to say:

The ABC should transfer to the new owners all assets used by it for the operations of the orchestra so that those operations may continue unhindered—

and so on. It continues:

Perhaps one-off grants by governments may assist in particularly intractable situations by providing additional facilities.

Clearly, there was a recognition that appropriate administration and rehearsal spaces for orchestras was essential and that this may require financial assistance to ensure that these are secured. Further, the service level agreement between the ABC and Symphony Australia and each of the orchestras states:

In establishing the orchestra companies, the ABC wishes to continue to supply service, assistance and support to the orchestral companies to the extent necessary to ensure they are not financially disadvantaged in their relationship with the ABC due to the orchestra's operations being carried out under changed corporate structures.

From the WASO's viewpoint, the issue is therefore the adequacy of the provision which the ABC has made to assist us to establish ourselves in suitable alternative premises. The matter of new accommodation for WASO is one which, if not adequately resourced, has the potential to severely limit the future, and—I say this without being silly—it could see the ultimate wind-up of the orchestra.

The report, which is the subject of this inquiry, outlines a scenario which indicates that it is cost effective for the ABC to move to the premises they are suggesting. However, for this cost effectiveness to be achieved, the ABC has totally abrogated its responsibilities in relation to the WASO. Section 193, paragraph 213 states:

The ABC will not be seeking additional funding from Government to implement this project.

This is somewhat misleading, because the cost effectiveness of the project is achieved simply by ignoring the WASO and hampering our ability to operate effectively in the future. The offer of \$500,000 for fitout assumes that we will be able to find some sort of suitable space, and there are no current facilities in Perth which are suitable to house the WASO. We believe that this demonstrates the fallacy of the ABC's approach to WASO in the report. In the short to medium term, the ABC's proposal simply does not address our needs. If it is implemented, our survival will be uncertain.

What have we done? Given that the ABC has made it clear that it does not want the orchestra to share its new accommodation, we have found a funding partner in the University of Western Australia, where our proposed Music Access Centre will be based, and we are receiving a positive response from the state government to find a mutually satisfactory solution to the problem. However, it should be noted that all parties ultimately view the housing of the orchestra as a federal responsibility.

The construction of the Music Access Centre, which would house us and create opportunities for other musical ensembles and groups, has been costed at about \$20 million, excluding the value of the land. The university will provide the land and \$4 million, and our request is to the ABC and federal government for a contribution of \$8 million. The recent major performing arts inquiry, chaired by Helen Nugent, went a long way to determining strategies for ensuring the long-term financial viability of the major performing arts companies in Australia, including orchestras, and, in the case of orchestras, the federal government continues to be the major funding partner. This all indicates that the orchestras have clearly been accepted as a responsibility of the federal government.

One can extrapolate from this, and from the fact that the ABC has traditionally provided the administration and rehearsal facilities, that there remains an obligation, whether through the ABC or other federal funding sources, for the provision of facilities. We have heard a little from the ABC people here this afternoon about accommodation in other states. It simply is a fact that in most cases the accommodation for the orchestras is provided by the ABC. In the case of the SSO, it rents its own administration and accommodation in central Sydney and rehearses in the

Opera House but, to this end, it has an added allocation of \$2.5 million per year for five years, from 1995 to 1999, which is extended to June 2000 and so on.

The QSO is in an ABC space. The MSO is in an ABC space. The ASO, Adelaide, is there. We have heard the story of the TSO. The WASO is the first case where a newly corporatised orchestra finds itself without a home, and without a home in the very near future. It is clear that there has been an intention to ensure the long-term viability of the orchestras as a result of the decision to divest from the ABC. We have put together a wonderful board. We have been given the task of taking this orchestra ahead, but we are being hampered in our ability to do this. We believe that there is an obligation on the ABC and the federal government to ensure that the wholly owned subsidiary, WASO Holdings, has sufficient funds to provide adequate facilities for administration and rehearsal space for the orchestra, to maximise opportunities for its future development. We think that the gladstone bag has been left on the step of the federal government.

**CHAIR**—You said that when the ABC came to you originally, it came with more or less a fait accompli.

**Mrs Holmes a Court**—Very much so.

**CHAIR**—But after that, what kind of dialogue has taken place?

**Mrs Holmes a Court**—There has been considerable dialogue. Catherine, you have the details of that.

**Ms Ferrari**—I believe that there was some dialogue and the West Australian Symphony was looking at a number of its own options outside of ABC options.

**Mrs Holmes a Court**—But we have been met with blank walls.

**CHAIR**—I have to say that I wrote a number of letters to a number of people in relation to the housing of the West Australian Symphony Orchestra with this move, and they date back probably 12 months or so.

**Mrs Holmes a Court**—The Music Access Centre, which we have now developed quite a way down the track, is only one of the propositions which we looked at. We did look at several other propositions, including developing the Music Access Centre at the concert hall. There were many proposals which we went through. This seems to be the best of them, in that we found a funding partner, as I say, in the university being prepared to contribute a third of the cost.

**CHAIR**—Was the \$500,000 which the ABC said that they will provide for this change to new premises something that was discussed and agreed to by the ABC and WASO?

**Mrs Holmes a Court**—No, I do not believe so.

**CHAIR**—How did they arrive at the figure of \$500,000?

**Mrs Holmes a Court**—Mysteriously, perhaps.

**Ms Ferrari**—We have no idea.

**CHAIR**—You have no information about how they arrived at that?

**Mrs Holmes a Court**—No.

**CHAIR**—What work has the ABC done to demonstrate capacity for you to lease other premises? I do notice somewhere in the evidence that there is a suggestion that you would be able to find other accommodation for a similar rental figure. Was that an issue that has been discussed between yourselves and the ABC?

**Mrs Holmes a Court**—No.

**Ms Ferrari**—I am not aware that it has been discussed.

**CHAIR**—Have they given any indication to you as to how they might have arrived at that figure?

**Ms Ferrari**—Not that I am aware.

**CHAIR**—Has there been no dialogue on these keys issues of the cost of moving and the possibility of leasing appropriate space?

**Mrs Holmes a Court**—There was a dialogue which took place at the University of Western Australia at a dinner addressed by the current chairman of the ABC, where someone totally unrelated to the WASO in fact asked the chairman what provisions were going to be made for the WASO and whether there was a chance of a larger contribution being made. The chairman's reply, if I remember rightly, was that there will be nothing more than the \$500,000 for the WASO.

**CHAIR**—Is it WASO's desire that you remain connected to the ABC and share premises?

**Mrs Holmes a Court**—We are an integral part of the ABC. We are a wholly owned subsidiary. It is not a possibility from the plans that you have seen for us to relocate with the ABC there. But the linking of the ABC to the orchestras in other states—in Southbank, for instance, in Victoria—is a successful combination.

**CHAIR**—What is the disadvantage, as you see it, of not having that direct link and being housed in the same building? What are the disadvantages?

**Mrs Holmes a Court**—The disadvantage from my point of view—Catherine and Julian may have other reasons—is that the type of space which we need at the WASO will include recording studios. We are going to be duplicating recording studios. In this age when people are thinking about finances constantly, the duplication of some of the facilities does not seem to be highly sensible. On the other hand, we believe that the Music Access Centre offers an extremely

exciting opportunity for us to develop the WASO way beyond what it has in the past been, to form links with the West Australian Youth Orchestra, the West Australian Jazz Orchestra. The West Australian School of Music, which is now based at UWA, would become an integral part of the whole facility, so perhaps we can do far more if we are based at UWA than we would be able to if we remained connected with the ABC.

**CHAIR**—So you are really telling me that it may not be such a disadvantage for you to relocate separately to the ABC, that there is a cost of doing so?

**Mrs Holmes a Court**—Precisely.

**CHAIR**—You mentioned a sum of \$20 million to build a new centre.

**Mrs Holmes a Court**—Yes.

**CHAIR**—But one of the ABC people said that they thought it would be \$6 million, and I think in the report it is somewhere between \$5 million and \$15 million. Can you tell us why your estimate is so high?

**Mrs Holmes a Court**—Yes. It is actually \$24 million but \$4 million of land. Perhaps Catherine could explain.

**Ms Ferrari**—I am not exactly sure how those figures were arrived at, other than to say how our figure was arrived at. The centre that we are looking at is an icon building for Western Australia, so it is a significant building. It has a rehearsal studio which actually is a 600-seat auditorium so it is a little more than just a rehearsal studio. There is another 150 seat rehearsal studio with demountable seating. There is a number of training areas, rehearsal areas, open air training areas, so it is a much bigger facility than we would put into an ABC facility.

**CHAIR**—This is a fairly big budget ideal situation scenario but, in a practical sense, you are going to need to have accommodation in the short-medium term.

**Ms Ferrari**—Yes.

**Mrs Holmes a Court**—Very much so.

**CHAIR**—So what are you going to do about some practical approach to accommodation?

**Ms Ferrari**—In the very short term, if we have to move out of 191 Adelaide Terrace before say our Music Access Centre was completed, we would do something like rent some accommodation space, office space, and the option is there for the orchestra to, on a very short-term basis, rehearse in Winthrop Hall at the University.

**CHAIR**—I understand at one stage there was some discussion about WASO locating in or near the concert hall. Was it in the concert hall or near the concert hall? What is the viability of that situation?



**Ms Ferrari**—My understanding is that there were a number of proposals looked at of various sizes.

**CHAIR**—By whom?

**Ms Ferrari**—The concert hall in conjunction with the West Australian Symphony and the concert hall management. I have not seen those proposals because they were prior to my being at the West Australian Symphony but my understanding is that they range from \$18 million to \$35 million, that there were two or three different proposals. There was not a lot of support, particularly funding support, for those proposals. The beauty of the Music Access Centre is that it has an inbuilt party to it, the University of Western Australia, which is committing virtually one-third of the cost of the project.

**Mrs Holmes a Court**—If I could just elaborate a little on the concert hall, the concert hall proposal was for the Music Access Centre which would include the rehearsal space to be located on the river side of the concert hall, which involved using some of the present car parking space so as not to destroy the facade of the building, which meant extending underground parking where there is no underground parking. It was a very complex engineering feat and carried with it the appropriate expense. Although we went quite a long way down that track and had a lot of architects and engineers work on it, and we presented it to the Premier and the then Minister for the Arts, it did not receive a positive response so we moved aside from that.

**Mr LINDSAY**—On the consultations that you have had, your evidence was that after the ABC apparently decided what their position was you found out about it. There was no prior consultation in that regard?

**Mrs Holmes a Court**—Not that I am aware of. Mr Lilas may have, but it has always been my understanding that it was presented as a *fait accompli*.

**Mr LINDSAY**—And the consultations since then have been, I guess, guarded and not cooperative?

**Mrs Holmes a Court**—There has been a feeling from us that the ABC had made up its mind and certainly that was confirmed by the chairman at that dinner at the ABC.

**Mr LINDSAY**—Just a technical point: you talked about needing what you called optimum acoustical conditions. I am not an acoustical engineer but I have had a look next door and what you have now, and I found myself thinking, ‘This is not a very good acoustical space.’ Am I right or wrong?

**Mrs Holmes a Court**—You are right, yes. At the time that this building was built, it is my understanding that the orchestra was only 50 to 55 members. We now are up to 89 or sometimes 100, so it simply is not suitable.

**Mr LINDSAY**—Are you saying that even if the ABC could accommodate you in this project, like remove its OB facilities, garages and so on, and put you in that space and whatever, you would prefer to go along this new path with UWA and you would then like to see the

committee make a recommendation that would say something along the lines that the government should recognise or the ABC should recognise its responsibility and that there should be certain funding considerations over and above what is being offered now. Is that what you would see as a desirable outcome?

**Mrs Holmes a Court**—I think that is very much the position that the board has now come to, that we can go forward to far more exciting days for the WASO and other musical institutions in Western Australia. We can take advantage of our links with educational organisations. Yes, we would prefer to go down this path because we see it as part of a grander vision. I think \$6 million was the figure the ABC put on it—\$8 million is what we would like from the federal government.

**Mr LINDSAY**—I do not think you would have seen the ABC's response to your submission.

**Mrs Holmes a Court**—No.

**Mr LINDSAY**—In fact we did not see it until the beginning of this inquiry today. It basically says the ABC is not responsible for the capital funding of new facilities for the orchestra. That is a pretty brick wall type approach.

**Mrs Holmes a Court**—Yes.

**Mr LINDSAY**—It may well be true. I would need some time to look at that. Is another option in considering what we might recommend that the ABC look after you in a transition phase, if you have to pick up whatever the rental accommodation costs are going to be, and so on? Would that be a useful recommendation or are you really looking for capital funding?

**Mrs Holmes a Court**—It is essential that we have the capital funding, quite honestly. We need new facilities. It would be wonderful if the ABC would assist us in paying the university some rent while we are rehearsing in Winthrop Hall, but the request is for some capital.

**Mr LINDSAY**—Just for the public record now, can you just go through the quantum of both the rental and the capital funding again.

**Mrs Holmes a Court**—I suspect that the matter of rent has not been yet discussed with the university for the use of Winthrop Hall as rehearsal space, but the capital funding we are requesting from the federal government is \$8 million.

**Mr LINDSAY**—When you say 'from the federal government', you mean through the ABC budget?

**Mrs Holmes a Court**—Yes.

**Mr LINDSAY**—I think that pretty well clearly expresses the bid.

**CHAIR**—Thank you.

[3.52 p.m.]

**BRYANT, Mr Alastair John MacLeod, Acting Director General, Ministry for Culture and the Arts**

**CHAIR**—On behalf of the committee, may I take this opportunity to welcome you, Mr Bryant. The committee has received a submission from the Ministry for Culture and the Arts dated 5 October 2000. Do you wish to propose any amendments?

**Mr Bryant**—No.

**CHAIR**—It is proposed that the submission dated 5 October 2000 be received, taken as read and incorporated in the transcript of evidence. There being no objection it is so ordered.

*The document read as follows—*



**CHAIR**—I now invite you to make a short statement to your submission.

**Mr Bryant**—Thank you, Madam Chair. The Ministry for Culture and the Arts, after being involved with the process of examining a number of sites, supports the relocation of WASO to the University of Western Australia site on the basis that it integrates the educational aspects of music in Western Australia with the expertise of the WASO ensemble. We think it is in the best interests of the state, the musicians and our young performers to have WASO located in that environment. No doubt you have heard from speakers before me about the merits of the university site so I will not go over all of those.

From the ministry's point of view, having the WA Symphony Orchestra located in Western Australia provides some opportunities for the aspirations of young musicians within Western Australia. We think it is absolutely essential that they be accorded appropriate accommodation. The move of the ABC has left them without a home, as everyone knows. We think this is an opportunity to put them in first-class accommodation and to bring together the skills of WASO, to join them with academic aspects of their youth and also to provide an opportunity for tourism within the state so local people can come and see WASO in practice and also see the students being taught music. We believe it would enhance music within Western Australia. Something has to be done, in our view. I have to say at this point that this has not been before our government. This is a ministry view. It is not the view of the government.

**CHAIR**—Does that conclude your submission?

**Mr Bryant**—That is it.

**CHAIR**—Thank you very much. Mr Lindsay, I will let you take the first turn.

**Mr LINDSAY**—Mr Bryant, it is always very dangerous to say to a committee that you support the relocation to UWA because it then invites the next question: what would be the quantum of your support for that relocation? You very carefully said that it has not been to your government.

**Mr Bryant**—That is right.

**Mr LINDSAY**—The federal government effectively is contributing, through UWA, to this relocation—not through the ABC. This orchestra is very important to Western Australia. Do you see a prospect of support from the state government?

**Mr Bryant**—I think it has all been predicated on there being a tripartite arrangement whereby the university would contribute effectively about a third—if you take into account the value of the land—the federal government a third and the state government a third. As I say, that is not the view of the government. It has not been tested. It has not been put to the government but we believe there is merit in that argument when you bring in the synergies of education, tourism and WASO itself. With all those assets together we believe there are certain synergies which would benefit the state. We believe there is a compelling argument to take to the state government.

**Mr LINDSAY**—Has WASO consulted with you, with the department?

**Mr Bryant**—Yes, very closely on this matter.

**Mr LINDSAY**—Have they asked you for money?

**Mr Bryant**—Not directly. There is a proposal before the department which is being considered by the minister but there has been no commitment given at this point.

**Mr LINDSAY**—Let me ask you an unfair question: do you think the funding for WASO should be entirely a federal government responsibility or read ABC?

**Mr Bryant**—In terms of WASO itself, I believe so. If we look at symphony orchestras across Australia, then look at the isolation of Western Australia, it is essential that Western Australia have equal access to such orchestras and that students in Western Australia have an orchestra to aspire to play in. Constitutionally I think the federal government has a responsibility to ensure that there is access to a symphony orchestra in Western Australia.

**CHAIR**—How much consultation have you had, Mr Bryant, with the ABC on this matter?

**Mr Bryant**—None.

**CHAIR**—None at all?

**Mr Bryant**—I have had none myself, no.

**CHAIR**—Are you surprised at that? Have you made an attempt to discuss the matter with the ABC?

**Mr Bryant**—No, I have not. It has been done through WASO. WASO I believe has had fairly close consultation with the ABC on this matter.

**CHAIR**—I recall that I wrote to your minister about it.

**Mr Bryant**—Right.

**CHAIR**—I just wondered whether there had been any consultation by the department.

**Mr Bryant**—Not that I am aware of. That does not mean to say there has not. I should put this on the record: I have been the acting director general for seven months so it may well have had some consultation. I will not say categorically there has not been.

**CHAIR**—All right, thank you. I have no further questions.

[4.01 p.m.]

**MACLEOD, Ms Mallika Kate, Policy and Project Officer, Australian Council for Rehabilitation of Disabled (WA Division) Ltd**

**CHAIR**—Ms Macleod, on behalf of the committee I welcome you. The committee have received a submission from ACROD dated 6 October 2000. Do you wish to propose any amendments?

**Ms Macleod**—No.

**CHAIR**—It is proposed that the submission dated 6 October be received, taken as read and incorporated in the transcript of evidence. There being no objection it is so ordered.

*The document read as follows—*

**CHAIR**—I invite you now, Ms Macleod, to make a short statement in support of your submission.

**Ms Macleod**—Chair, this is going to be very short and sweet. There are no major issues with the plans that I had because I was only looking at this from an access perspective for people with disabilities and I saw there was very low provision within the plans. I may have been reading these incorrectly, but for a prospective 230 staff, there is one wheelchair toilet on one floor. There seemed to be no emergency evacuation procedures written in the plan. If these things are in place they were not in the public draft, so I was unaware of any provision for those sorts of things. While they said that lift services would comply with standards, I was unsure if they would include provision for people with audio impairment. There were issues with signage for accessible parking bays and having those in areas which would not be used by couriers, which is often the case in any public car park. My summary is really my argument against the plans that I have received.

**CHAIR**—So you have a few concerns. Have you met with the ABC to discuss these concerns?

**Ms Macleod**—No, I have not.

**CHAIR**—Has anyone from your organisation been in consultation with the ABC?

**Ms Macleod**—No, they were just passed straight to me.

**CHAIR**—They were passed straight through to you.

**Ms Macleod**—Yes.

**CHAIR**—Have you made any attempt to contact the ABC and negotiate or discuss this?

**Ms Macleod**—No, I have not. I received these late term so I just quickly emailed those straight through.

**CHAIR**—All right, thank you. I have no further questions.

**Mr LINDSAY**—You have done very well with your submission. Congratulations.

**Ms Macleod**—Thank you.

**Mr LINDSAY**—In fact you have done so well that the ABC agrees with everything you say, as I am advised. I wish we could run the government that way. The lift services, the access to parking, the signage and so on, the provision for showers and toilets on every level, the ABC agrees with all of that and it is being provided. I would just like to ask you, for the record, in terms of providing accessible facilities for people with disabilities, how do you rate this particular project?



**Ms Macleod**—I would rate this particular project as good and, with agreement that these sorts of upgrades will be made, move straight on to excellent, if that is the way the ABC is going to approach these issues. I feel that a lot of public works do not have consultation with people with disabilities or advocacy groups at an early enough stage. I could list several places that have not done that and, as a result, they have had to foot huge bills for modifications because the Disability Discrimination Act governs the access the public has to those facilities.

**CHAIR**—Have you any further questions, Mr Lindsay?

**Mr LINDSAY**—No. You can go back to your group and say you have done well.

**Ms Macleod**—Thank you.

**CHAIR**—Thank you very much.

[4.07 p.m.]

**DOLAN, Professor David Sutton, Councillor, Heritage Council of Western Australia**

**LEWIS, Ms Christine Julie, Registrar, Heritage Council of Western Australia**

**CHAIR**—May I on behalf of the committee welcome you. The committee has received a submission from the Heritage Council of Western Australia dated 11 October 2000. Do you wish to propose any amendments?

**Ms Lewis**—No, but I would like to include some sketches with the material.

**CHAIR**—Is the committee happy to receive those sketches?

**Mr LINDSAY**—Yes, Madam Chair.

**CHAIR**—If you could let the secretary have the sketches. It is proposed that the submission dated 11 October 2000 be received, taken as read and incorporated in the transcript of evidence. There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—I now invite you to make a short statement in support of your submission.

**Ms Lewis**—The Parliamentary Standing Committee on Public Works terms of reference include recommending any alterations to the proposal for a work that in its opinion is necessary or desirable to ensure that the most effective use is made of the moneys to be expended on the work. The Heritage Council of Western Australia has no opinion on the need for the new accommodation for the ABC in Perth. Assuming the need, the council suggests that, before approving the current proposal, the standing committee should require full consideration of the benefits of relocating the ABC to the old East Perth power station site.

The available floor space from reconstruction adaptation of existing buildings at the former powerhouse station is approximately 20,000 square metres. In 1997 when a proposal—which has not proceeded—to use the former powerhouse station for a science museum was costed, the estimate for attention, adaptation and fitout for the museum was in the region of \$34 million. The western side of the former power station site could be available for redevelopment, permitting car parking areas and either an extension of the space available for the ABC or the erection of income-generating buildings.

The former powerhouse station site is heritage listed and certain elements would be required to be conserved and made available for public access. The National Trust of Australia, Western Australia branch, has expressed interest in operating this museum type facility. The former turbine hall, which has national heritage value, would accommodate a cafe, provide a spectacular setting for receptions, certain kinds of performances and public events. The precedence for this kind of adaptation of a former powerhouse station can be found in the popular Powerhouse Museum in Sydney and the instantly world famous new Tate Modern in London.

There are a number of advantages to the adaptation of the former powerhouse station including more space for future expansion than can be provided at the Brown and Fielder Street location. The adaptation of parts of the former powerhouse station would give the ABC a magnificent location with Swan River frontage and landmark visibility from the Graham Farmer Freeway and the railway, neither of which apply at the Brown and Fielder Street location. The former power station has high public recognition and striking architectural qualities from its massing and art deco features.

In its present condition the former power station is an eyesore, despite its great heritage significance, and its future use is an issue in Western Australia. There would be great public benefit and goodwill in the Commonwealth government and the ABC setting an example of adaptive re-use of a major heritage landmark. The Heritage Council urges the Parliamentary Standing Committee on Public Works to seek a feasibility study of adaptation of the old East Perth power station to provide the accommodation needed by the ABC in Western Australia. If it is practical to preserve the nation's industrial heritage by accommodating the ABC, this would ensure the most effective use was made of the moneys to be expended on the work.

**CHAIR**—Thank you very much. This one has come in very late.

**Ms Lewis**—Yes.

**CHAIR**—The committee has only seen this right now. It has just been put in front of us, so it is very difficult for us to ask questions on a proposal that is a very major change or shift in a major proposal. Has this been discussed with the ABC?

**Ms Lewis**—No, unfortunately it has not, Madam Chairman.

**Prof. Dolan**—We felt that this was perhaps the first opportunity there has been for any comment. It would be ideal, of course, in a better world if agencies looking to relocate were to get in touch with bodies like the Heritage Council and inquire about the possibility of using otherwise redundant facilities, but they often do not do that. They think only in terms of building a new building.

**Mr LINDSAY**—How much of the original infrastructure is there inside the power station? Is it all there?

**Prof. Dolan**—There are certain sections which have some original equipment which is very important, and those sections would not be, under the West Australian Heritage Act, accessible for other purposes. They would need to have some kind of museum function.

**Mr LINDSAY**—Are we talking about turbines and boilers?

**Prof. Dolan**—Yes. There is one room of turbines and there is also a coal loading facility and a couple of other things. But the two major spaces that were the boiler halls are stripped empty—both are really a shell. They could be redone to provide, as we said, about 20,000 square metres. There are a number of other small buildings on the site which could be retained and provide space and there is also an open area which could be redeveloped so that you would have a much greater amount of space than could be provided in the other location. You would have room for symphony orchestras or anything.

**Mr LINDSAY**—This was a proposal in 1997.

**Ms Lewis**—Yes.

**Mr LINDSAY**—That did not go ahead.

**Ms Lewis**—That is right.

**Mr LINDSAY**—Why didn't it go ahead?

**Prof. Dolan**—There was no funding found for it. It was a proposal to relocate the Science and Technology Centre here, Scitech, comparable to Canberra's Questacon, and that could have gone ahead if the state government had wished to fund that move. That did not happen so the building is still looking for a use.

**CHAIR**—I understand that even back then the cost of that was in excess of \$20 million, and I think there have been various studies done on this. I have actually looked at the building externally myself.

**Prof. Dolan**—The estimate then, Madam Chair, was \$34 million.

**CHAIR**—One of the estimates for restoring the building was \$34 million or \$36 million.

**Prof. Dolan**—Yes.

**CHAIR**—It is a pretty big investment in terms of capital investment to restore it.

**Prof. Dolan**—That was to restore it and fit it out for a museum. We are thinking it would be interesting to have a feasibility study to see if a similar figure would work for the ABC. I believe that this proposal is of that same order of cost.

**Mr LINDSAY**—I will ask the ABC and you should stay and hear what their response is.

**CHAIR**—Thank you for taking the time to appear. We will now recall the ABC.

[4.14 p.m.]

**DUNCAN, Mr Geoff, State Director, Australian Broadcasting Corporation**

**KNOWLES, Mr Colin, Director, Technology and Distribution, Australian Broadcasting Corporation**

**MARTIN, Mr Kym, Acting Head, Property and Support Services, Australian Broadcasting Corporation**

**MOORE, Mr Raymond, Project Director, Australian Broadcasting Corporation**

**PENDLETON, Mr David, Head, Finance, Australian Broadcasting Corporation**

**SHORT, Mr Lindsay, Design and Construction Consultant, Australian Broadcasting Corporation**

**CHAIR**—I would like you to start by responding to some of the issues raised in the submission of the Western Australia Symphony Orchestra, particularly in relation to this change being presented to them as a fait accompli and there being what appears to be insufficient dialogue and consultation with them as to what their future is.

**Mr Moore**—Certainly, Madam Chair, we would like the opportunity to do that. I think there are a number of issues and certainly consultation is one of them. I think it is unfortunate in both WASO and the ABC that a couple of the key players that were involved in the processes and discussions at the time are no longer with those organisations. Our former general manager of property services, Mr Lawrie Arthur, has left the ABC and the former managing director of WASO has also left, so that there are some holes in the recollections about consultation at a verbal level at least, but we will certainly present further information about the consultation that took place. However, I would like to call on two of our witnesses to comment further specifically on the consultation process, and perhaps for the earlier part of that, first of all to Mr Kym Martin.

**Mr Martin**—My involvement in this project started in or about November 1997 when we first went out to call for public expressions of interest and anyone interested in trying to find a home for the ABC was invited to provide a submission at that time. The response from the first round of expressions came in about December 1997. We interviewed the first six proponents in January 1998, which was when my consultation with Rod Lilas started. I was taken off the project for probably 16 months to attend to other duties.

**CHAIR**—In both of the times that you have addressed the committee on this matter you seem to indicate, to me at least, that this was a decision you were leaving to those who you had invited to make submissions on the development. That is what I am hearing from you in the submissions put forward—that there was no interest in a proposal that would house the orchestra.

**Mr Martin**—The advertisement that went out and the documentation that was issued asked for expressions to either accommodate the ABC alone or to accommodate the ABC and WASO.

**CHAIR**—Did any of the submissions that came in have a proposal to house WASO?

**Mr Martin**—Some of the proposals indicated that they could accommodate WASO, yes.

**CHAIR**—But they were not strong?

**Mr Martin**—There were no really strong proposals at that time. They were only very early days but they told us there was a possibility.

**CHAIR**—But who is leading this? Are you allowing the developers to make the decisions for you?

**Mr Martin**—No.

**CHAIR**—Are you leading this decision-making process, as you ought to be, as 100 per cent shareholder?

**Mr Martin**—We were leading the process and it was the ABC's opinion that we were not committed and Dave Pendleton will make some comments on that next.

**CHAIR**—But there were some interesting questions posed by the Tribe report, which later became the Mansfield report, which clearly set out some obligations in relation to the housing of the orchestras.

**Mr Martin**—I am not sure about that.

**CHAIR**—You have not read the Tribe report?

**Mr Martin**—I do not believe I have, no.

**CHAIR**—All right.

**Mr Martin**—As I said, I did have consultation with Rod Lilas in the very early stages. The documentation that went out called for offers that either did or did not include WASO, and it depended on what was available. We did not want necessarily to be limited by insisting that WASO was accommodated with us. As I said, the offer that we are now looking to try and accept at East Perth would have been extremely difficult because the site was tight. The design of the building has been refined considerably since I was first looking at the job and the proposal design first put together by Fini was tight. Admittedly, under Lindsay Short's guidance, the proposal has been simplified and there is spare space now on that site, but I do not believe there is sufficient space to accommodate WASO, particularly with the volume required by the main concert hall, rehearsal hall.

**CHAIR**—Was that a concern for the ABC?

**Mr Martin**—I think it was a concern but it was an informed decision by the ABC board.

**CHAIR**—You had discussion with Rod Lilas in 1998 and he was clearly concerned because he wrote to me, and no doubt he wrote to a number of other federal members of parliament and senators about this matter as well. Clearly there was a level of concern there. Was that concern discussed at the initial consultation?

**Mr Martin**—Yes, it was discussed with Rod Lilas.

**Mr Duncan**—Madam Chair, I can add to that from a state director's point of view in WA, to give you a chronology of the consultations that took place. I had regular dialogue with Rod Lilas, the Managing Director of WASO at that stage. Also I know that the chairman met with Rod Lilas on one occasion in WA and possibly Rod met with him twice in Sydney. I had a formal lunch at the ABC with the Premier and the Deputy Premier and one of the issues we discussed was part of the relocation. We talked about WASO, we talked about the long association that the ABC had had with WASO. They understood the ABC's position.

It was at the ABC's instigation that a working party was set up with WASO. I was on that working party with Professor Margaret Seares, Rod Lilas, and Nick Mayman from the Ministry of Culture. I was involved in the original discussions with UWA when they made their offer of \$4 million for the Music Access Centre. I was involved in discussions on a short-term and a long-term strategy relocation for the orchestra.

**CHAIR**—And with the current administrators?

**Mr Duncan**—Catherine has been here a short time. I cannot recall an immediate conversation with Catherine but it has only been a quick changeover time.

**CHAIR**—How many months?

**Mr Duncan**—I am not sure—four or five months perhaps. I could not be sure on that. But I would like to add that I have spoken to both the present Minister for the Arts and the past Minister for the Arts, both formally and informally, on the ABC's position on the orchestra.

**Mr LINDSAY**—You heard the earlier question, 'How did the ABC decide this figure of \$500,000?' Would you like to respond to that?

**Mr Martin**—I can comment on that. Following consultation with Rod Lilas, some of the people involved in the project at that time went down and visited the concert hall. Rod Lilas had a very strong desire at the time to do a development for the orchestra at the concert hall and he was actively pursuing that. The timing of this was all happening about the same time and I am not quite sure which started first, but I know he had some active consultation with the Perth concert hall. There is some documentation on that. The half a million dollars was the cost of a fitout in rented accommodation in Adelaide Terrace in the vicinity of the concert hall. The rental for that space would be similar to the rental they pay the ABC at the moment for this accommodation. The ABC was prepared to put in half a million dollars to set them up, at least in a temporary facility, in office space in the vicinity of the concert hall.



**CHAIR**—Do you agree with the evidence given by the chair, Janet Holmes a Court, that the concert hall option is not viable because of the difficulties?

**Mr Martin**—I did not look at that in any detail but Rod Lilas was pursuing that.

**Mr Duncan**—Cox Howlett, the consultants employed by the ABC to look at the relocation options for the orchestra, did quite a lot of work on the possibility of revamping the concert hall and, I think, as the chair of WASO indicated, there was a significant amount of money in reconfiguring the basement car park.

**CHAIR**—Yes.

**Mr LINDSAY**—The earlier witnesses gave evidence which just simply said or claimed that the cost effectiveness of this project before the committee today was achieved by dumping WASO. How do you respond to that?

**Mr Moore**—Obviously we reject that. I think we need to refer back to the written response that we provided to the committee previously, where we are saying that as of mid-1997 the ABC was no longer responsible for the funding of the orchestras, that the orchestras were funded directly from the Department of Communications, Information Technology and the Arts, and that as of that time there was a service level agreement put in place which quite clearly specified the levels of service that the ABC would continue to provide to the orchestras. That agreement was executed by both the ABC and the orchestras and the overriding company at the time, Symphony Australia. At that stage the ABC was no longer responsible for funding the orchestras, either operationally or for their capital funding for projects.

I think the WASO representatives referred to the ABC's responsibility under that service level agreement to continue to provide accommodation while they were co-located with the ABC. Quite clearly there is a clause in that agreement, which we have provided in our response to WASO's submission. There are two I would like to specifically refer to in that response. Clause 2.1 of schedule 2 specifically notes property rental, and I quote:

Where the orchestral companies are accommodated within a property owned or leased by the ABC, they shall reimburse to the ABC the cost of providing that accommodation, including a share of the outgoings and an agreed rent, to be reviewed annually.

That is the situation on this particular site—that WASO pay the ABC rental for the occupation of their premises. I would then like to draw your attention to the next clause that was quoted from the service level agreement, clause 2.1 of schedule 1, which specifically notes:

When the ABC requests an orchestra or orchestral company to vacate premises owned or leased by the ABC, advice and assistance regarding relocation will be provided.

The ABC submits that \$500,000 is significant assistance in finding alternative accommodation, that we will continue to provide assistance and advice to WASO in helping them to find a new home, that we will continue to participate in the working party that has been established—the joint working party between the ABC and WASO—and that we have already paid some consultants to that working party to look at alternatives.

**CHAIR**—Can you tell us who is on that working party, when it last met and when it is due to meet again.

**Mr Moore**—Yes. I would like Mr Geoff Duncan to talk to that.

**Mr Duncan**—The members of the working party are Professor Margaret Seares who is the Chair of the Australia Council, Nick Mayman from the Ministry of Art and Culture, the past managing director Rod Lilas, and me, of course. Obviously Catherine Ferrari would be on that now, but we have not met since she took over. I think the reason for that has been because of the UWA's commitment of money for the Music Access Centre, which seemed to be a very strong potential solution for the orchestra.

**Mr LINDSAY**—In relation to WASO's ideal outcome which they expressed today, even though your conclusion says that you are not responsible for capital funding of new facilities for the orchestra, would the ABC be prepared to make some contribution in line with what WASO has put to the committee today?

**Mr Moore**—Perhaps I could call on the finance head of the ABC there.

**Mr Pendleton**—I cannot speak on behalf of the board necessarily, but I would think that, as a separate corporate entity, WASO has to fund its own capital projects. The ABC board has responsibilities in relation to its charter obligations and would necessarily have to apply its capital funds to those imperatives.

**Mr LINDSAY**—But it is fully owned by the ABC. The subsidiary is fully owned by the ABC. Is that right?

**Mr Pendleton**—It is, but the funding source is from the Department of Communications. The funding source does not travel through the ABC.

**Mr LINDSAY**—I take it that that is a no. To take up a matter I raised with you earlier where you had not quantified the savings in human terms in moving out of this building, would it be unreasonable to ask you to provide to the committee some kind of an estimate or would that take too much time? We do not want to delay this process. Would it be easy for the ABC to give the committee an approximate value of the human savings of moving out of this building?

**Mr Moore**—Certainly we could put a value to us on it. I guess the reason that we did not put a financial value on that in the evidence was that we were not intending to achieve staff savings as such, but rather to increase the efficiency of the production process, which would enable us to implement the sort of cross-media content creation that we have been talking about today. We would be redirecting those funds into generating new opportunities rather than making savings, but certainly we could make some estimate.

**Mr LINDSAY**—There is still a benefit, isn't there?

**Mr Moore**—A benefit, yes, I think is a better way to put it.

**Mr LINDSAY**—I want to have it clear on the record what it is you are asking the committee for. We discussed this earlier. The total out-turn cost will be \$28.5 million. Is that correct?

**Mr Moore**—That is certainly right, yes.

**Mr LINDSAY**—Staff consultation: what has been the reaction of the ABC staff in relation to this project and in particular have there been any negative comments? If so, what were they?

**Mr Moore**—I think our state director should talk about that in particular, and I can talk to a list of consultations and meetings we have had, if you like.

**Mr Duncan**—I think it is fair to say that the reaction has been very supportive. People have been frustrated for too long by the lack of functionality of this building. The sense of a general atmosphere of camaraderie that will be generated with a new, more condensed space, will not only have a major impact on functionality but I think it will have a major impact on staff morale. The staff have recognised that very strongly. There has been an issue about car parking, but I think generally the staff have been very supportive.

**Mr LINDSAY**—Car parking is not currently provided on site for most staff. Is that right?

**Mr Duncan**—That is right, yes. We do have an alternative site at the Freemasons Hall opposite this building, which is currently used.

**Mr LINDSAY**—I should have asked you this earlier and I apologise to the Heritage Council people. You heard their evidence that they would like to see you move to the power station site. Did you consider that site and, if not, would you consider it? Do you have any advice to give to the committee in relation to that evidence from the Heritage Council?

**Mr Moore**—I will call on Mr Short to comment on that in detail in a moment. What I would say is that we had no response to the calls for registration of interest back in 1997, which I think coincidentally was when they were looking at that previous scheme proposing that particular site. But we understand that there are also some significant challenges associated with that site which I would like Mr Short to talk about.

**Mr Short**—Madam Chair, the particular site was not looked at under an initiative by the ABC. I am aware of the site. I looked at it in 1997 on behalf of another client and had come to the conclusion that it was in the order of \$40 million to bring it up to a good commercial standard. Knowing what the ABC's budget was—in the order of no more than \$30 million—it was not something that I brought to the ABC's attention.

It is an interesting site and it is an interesting building, but it falls into the same category of many of those buildings—it really needs somebody to do the fundamental work to get it up to a modest standard—and then I have no doubt that in the commercial arena there would be a number of organisations which would be interested in doing the fitout. But it is that core work that has to be done to bring it up to BCA and all those other standards which normally in a building like that, in my estimation, is about \$10 million of contribution, and that is something that the ABC could not take on.

**Mr LINDSAY**—In relation to the costs of the project in your latest proposal to the committee, received Friday, could you explain the large increase in building work costs from what we had earlier?

**Mr Moore**—Yes, certainly, and once again I will call on Lindsay Short in a minute to elaborate on that. What we are talking about here is not deleting a basement; we are talking about moving a car park from a basement level to the ground floor. Therefore, in an overview sense, we are still building that car park, it just happens to be at a different level, and that is why the funds have changed from one category to another. I will call on Mr Short to elaborate on that.

**Mr Short**—That is basically what has happened. The money has moved from the prelim section, the site works, site services and car park basement level, up into the building area, because it has now become a standard office floor without walls and without airconditioning. That is the principal reason for it.

**Mr LINDSAY**—In relation to ABC staff costs, there is an amount in here which you all know. What does that comprise?

**Mr Moore**—That comprises basically the internal ABC project team over a period of three years.

**Mr LINDSAY**—I understand. In the option deed between the EPRA and the ABC it refers to drawing numbers and so on, but the plans are now different. Does that alter this option?

**Mr Moore**—We have had, as a matter of fact as late as last week, discussions on this revised proposal with EPRA, which is the planning authority for that area. In principle, they have no objection to that, subject to further development of the facade around the car park.

**Mr LINDSAY**—Is that a risk to the project?

**Mr Moore**—We do not believe so. Lindsay?

**Mr Short**—No.

**Mr LINDSAY**—In relation to the tower, all of your evidence says an 85-metre tower and in the option it says 85 to 100 metres. What is it?

**Mr Knowles**—Eighty-five.

**Mr Moore**—It is 85 metres. That is what has been submitted.

**Mr LINDSAY**—The option agreement also says ‘to explore alternatives to the erection of a tower’. Have you done that, or is that not necessary?

**Mr Knowles**—No, that has been done, Mr Lindsay. There are various options. In fact, the next priced option was up to about \$1.64 million against about half a million cost for the on-site

tower, so it is substantially more expensive, both in terms of additional outlays and ongoing operating costs which range from satellite delivery through to leasing space in somebody else's tower and shipping the thing back.

**Mr LINDSAY**—Have you looked at the possibility that a tower at that site could in fact get built out?

**Mr Knowles**—There are limitations on that tower in terms of its height. We have had a look at the engineering studies of what might get built out and so forth and so on, and we believe that in proportion to the outside broadcast linkages that we need to make that it is still certainly very cost effective to have the tower by comparison with the alternative.

**Mr LINDSAY**—In the sale agreement under 'Development of the property' it says:

In accordance with the planning approval you must proceed with construction of the development within two months from the settlement date.

Is that possible?

**Mr Moore**—It depends on what you define as 'construction', but certainly we will be commencing some site works, which we would submit constitute construction work, early in the new year.

**Mr LINDSAY**—Under 'Goods and services tax' it says:

If applicable, the purchase price shall be deemed to be automatically increased by such percentage as shall equal the rate of any goods and services tax or any other taxation levied.

Does that apply?

**Mr Moore**—The same comment applies to that as did apply to the rest of the building in that the ABC is refunded for GST and, therefore, we have not included that as a cost to the ABC.

**Mr LINDSAY**—I will make the observation, then, that in a purchase agreement you cannot state a price lawfully that does not include GST. That is nothing to do with this inquiry.

**Mr Moore**—Thank you.

**Mr LINDSAY**—I notice the railway line is very close to the site. Is there likely to be any acoustic rumble type problems or technical problems with the site in relation to the railway?

**Mr Moore**—We have had a number of site studies done, some of which may have been forwarded to the committee, which looked at electromagnetic radiation, which is also a problem with high-voltage rail lines, and also acoustic concerns. The site has a clean bill of health in both areas.

**Mr LINDSAY**—Is the area serviced by suitable public transport, and will it be so in the future? I know you touched on this earlier, but I just need you to put it on the record.

**Mr Moore**—Certainly, as you indicated, there is a nearby railway line for those travelling by rail. There are a number of bus services through the area which staff can access. We believe that when organisations such as ours relocate to that area, that certainly the public transport system will only get better.

**Mr LINDSAY**—Is there any difficulty in you putting on the public record what the development arrangement will be? We talked about this privately earlier. Are you able, for the public record, to say that? Are there any confidentiality issues with that?

**Mr Moore**—Yes, we can talk in broad terms about the project delivery system.

**Mr LINDSAY**—Yes, please.

**Mr Moore**—I will call on Mr Short, who is our expert in those areas. In an overview, we are adopting an approach where the ABC will maintain control over the design of the project and packages will be tendered separately under the guidelines that the ABC has for that sort of procurement, but ultimately the contractor will be responsible for delivering those packages.

**Mr Short**—It will be a fixed-price design and construct contract which is in draft form now. The comfort that the ABC will have is that we have done a number of tests of that cost to make sure that the price we are paying for the facility we are looking at we believe is appropriate. We will have the added comfort, as those packages go to tender, of the right to review the tenderers and the proposed package and contract as it goes out, so that we will be involved right through the project. But the overall costs of the project will be underwritten by Fini.

**Mr LINDSAY**—With respect to the space for the OB facilities, do they really need to be located on this site? I am worried that you are using up the whole site, there is no room for future expansion and there is little parking. Is this really an ideal outcome for the ABC?

**Mr Knowles**—Mr Lindsay, the OB facilities will in fact be used as additional control rooms for the spaces provided in the building, so that as part of our normal regional fitout we are not equipping all of the studio space as control rooms because of the nature of the productions, limitations on productions within the studio spaces. A lot of productions of course take place outside of the studio these days. The news control room is fully fitted, and there is some option for using the news control room into the main studio control as well. In fact, for significant productions, we would be relying on the OB van, which will be cabled up to allow the OB van to be plugged in and used as a control room for the main studio. This was one of the reasons why we needed to actually have access for that.

**Mr LINDSAY**—That is very clever. Some other networks have got rid of their OB vans and have gone out to private supply, but I will not ask you if the ABC has that in mind! Do you really have to have a cafeteria on site? What is the cost of having a cafeteria?

**Mr Moore**—Well, do we have to have a cafeteria on site? We have done a little bit of work in surveying the facilities in that area and they are very limited, I would have to say. We believe we certainly need a facility to cater for staff. We believe it makes it far more viable if we are able to offer access to the public as well. In fact, in some of our other sites, if we had been able

to do that, I think we would have been able to offer a far better service to staff than what we can at the moment.

**Mr LINDSAY**—Ultimo is offering public access, isn't it?

**Mr Moore**—It offers limited public access, but it is very hard to get to off the street, you would have to say, and is not ideal.

**Mr LINDSAY**—Yes. Thank you very much.

**CHAIR**—Thank you. We are now going to recall Ms Catherine Ferrari, the Chief Executive Officer of the West Australian Symphony Orchestra.

[4.45 p.m.]

**FERRARI, Ms Catherine, Chief Executive Officer, The West Australian Symphony Orchestra**

**HOLMES A COURT, Mrs Janet, Chairman, The West Australian Symphony Orchestra**

**SHER, Mr Julian, Director, The West Australian Symphony Orchestra**

**CHAIR**—I remind you that, as you were sworn in earlier, you are still giving evidence under oath.

**Mrs Holmes a Court**—Madam Chair, I would like to elucidate the details of the working party. The working party which has been referred to was set up to look at future accommodation for the WASO. It was not set up to look at us moving with the ABC to this site. That decision was really presented to us as a fait accompli. I would like your permission to allow my colleague, Julian Sher, to make another couple of comments.

**CHAIR**—Yes.

**Mr Sher**—Thank you very much, Madam Chair. There were some comments from the representatives of the ABC about the service level agreement. I just take the committee back to paragraphs 8 and 10 of our submissions. In paragraph 8 we referred to the Tribe report and we quote major recommendation 4:

The process of divestment should be orderly ensuring the maintenance of orchestras and the uninterrupted security and welfare of orchestra members.

It went on to say:

The ABC should transfer to the new owners all assets used by and for the operations of the orchestras, so that those operations may continue unhindered.

Further down, in paragraph 10, we quote the service level agreement between the ABC and Symphony Australia and each of the orchestras. It states in recital E:

In establishing the orchestral companies the ABC wishes to continue to supply service, assistance and support to the orchestral companies to the extent necessary ... to ensure that they are not financially disadvantaged.

In our submission the situation is that for decades, generations, the orchestra was part of the ABC. Suddenly, come the end of 1997 and the beginning of 1998, there is a new company with a new board of directors and we are told that, whilst our operational funding is going to continue, no provision is made for any sort of capital funding. This is the problem that we face at the moment.

There was also mention of Winthrop Hall. There is no suitable accommodation for the orchestra to rehearse in at the moment and that includes Winthrop Hall. The problem that we



have with the concert hall and the problem that we have with Winthrop Hall and those sorts of facilities is that they are, in fact, owned and used by other parties so that we do not have a place of our own at all. In my submission it is not a case of the baby being thrown out with the bathwater but the bathwater actually being retained and the baby being thrown out. That is where we find ourselves at the moment. We simply wish to make that point in summary. Thank you very much for the indulgence.

**Mr LINDSAY**—But you do not have a place of your own now, do you?

**Mr Sher**—We have had this place—

**Mr LINDSAY**—But it is not yours?

**Mr Sher**—No, it is not ours.

**Mr LINDSAY**—You pay rent.

**Mr Sher**—It is not ours but, as we say in our submission, we have developed an interest in this place because we have been here for so long. Now, suddenly, the rug has been pulled out from under us. That is the only point I make. I do not say we are a legal owner of these premises at all. I simply say that we have an interest in a general sense.

**CHAIR**—You say you have operational funding. Is it adequate? Is the amount that is being discussed as a possible amount for alternative rent realistic in terms of your current budget?

**Mr Sher**—I am not an expert. I would be very loath to comment on the adequacy of the figure of \$500,000. I can speak from personal experience where, in another capacity, we are having some fitout done in Perth in an office block in the centre of the city and \$500,000 is not an adequate amount of money, speaking as a layman. You might hear from experts on that point, Madam Chair, but it is not a lot of money for this sort of thing at all.

**CHAIR**—The committee deals with these issues constantly and it does not seem to be very much money. But I am talking about the fact that you have operational funding and you are paying your rent now at the ABC, here in this building, at the present time. Taking into account the rent you are paying now, is it realistic to expect that you can replace what you have now with something comparable?

**Mr Sher**—I do not think that it is adequate. The question really is, is the operational funding adequate at the moment? It is our submission that it is not. If you look at the total turnover of the orchestra—which is something under \$10 million—and you look at the funding we receive, the source of the revenue, which includes subscriptions, single ticket holders who come to single performances and development funding and, if you look at our balance sheet and financial information, you would see quite patently that even the operational funding is not adequate. We have to work very hard to fund ourselves and deal with deficits.

**CHAIR**—What have you done to examine what options are available to lease? I know you have looked at trying to get a new facility. You have done quite a bit on that, it seems. But what have you actually done to analyse what is available for lease?

**Mrs Holmes a Court**—Perth is a very small place, as you are aware. We are aware of every space in Western Australia that could conceivably accommodate an orchestra. Basically there is a concert hall and Winthrop Hall. There is not a space here, apart from those two venues, which can accommodate an orchestra.

**Mr LINDSAY**—Can I just ask you about a girls' school I saw which had a very large theatre. Where was that?

**Mrs Holmes a Court**—There is Perth College, Hale School, MLC. A lot of the private schools have wonderful theatre facilities, but you have to realise they belong to the schools. They use them most days. The size is not right. The availability is not there. Our orchestra needs that space—how many days a week?

**Ms Ferrari**—Generally four days a week.

**Mrs Holmes a Court**—So it is not a proposition.

**Mr Sher**—Just talking about the size, if we have to rehearse, for example, Mahler's ninth symphony or Mahler's third symphony, you are talking about 110 players. You have to find space for them.

**CHAIR**—Yes. Thank you very much. As there are no further questions it is proposed that all of the submissions received by the committee and the ABC responses to them will be incorporated now into the transcript of evidence. There being no objection, it is so ordered.

*The documents read as follows—*



**CHAIR**—Before closing I would like to take the opportunity to thank all witnesses who appeared before the committee today, all those who have assisted our inspection today—thank you very much for that—and, of course, to the secretariat and Hansard for recording these proceedings.

Resolved (on motion by Mr Lindsay):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at public hearing this day.

**Committee adjourned at 4.53 p.m.**