

# No proof needed for compo

## \$8M STADIUM PAYOUT

■ **Gareth Parker**  
State Political Editor

Nick Tana's Allia Venue Management was able to claim millions of dollars in compensation for taxpayer-funded redevelopment works at nib Stadium without having to prove the works caused any loss of revenue.

It was able to make the claims under the heads-of-agreement deal that led this week to Allia terminating its management of nib Stadium and pocketing an \$8 million early termination fee.

Allia was paid \$1.9 million in compensation in December and a further claim for \$1.33 million is yet to be settled.

The Barnett Government has refused to release the heads-of-agreement contract, but documents obtained by Labor under freedom of information laws reveal details of how it worked and how senior bureaucrats warned it did not protect the State's interests.

On September 24 last year, VenuesWest chief David Etherington wrote to Department of Sport and Recreation chief Ron Alexander, attaching a draft copy of a Cabinet expenditure review committee submission on Allia's compensation claim.

The draft makes it clear that VenuesWest, which was told in 2011 by Sports Minister Terry Waldron to "get on with it and not unduly delay things" when it raised concerns about the State's position, did not like the deal that was eventually done.

"The VenuesWest board pro-

vided advice to the minister in regards to the strengths and shortcomings of the HoA prior to negotiations being made and the State was required to make significant concessions in the final version from the prior HoA between CoV (City of Vincent) and Allia in order to get it signed and commence the redevelopment," the draft said.

To claim compensation, Allia had to provide details of its earnings before interest, tax and amortisation (EBITA) for the preceding three years.

In his reply to VenuesWest on October 15, Mr Alexander, who tried to distance DSR from the compensation claim, wrote: "I... note that you were involved in the final negotiations on the HoA, providing particularly strong advice on the compensation clause and its implications.

"I also understand that VenuesWest holds the view that the (compensation) clause, as written, does not provide much avenue to dispute the claim."

The heads of agreement gave Allia the whip hand.

In November, as VenuesWest and DSR officers swapped emails about Allia's compensation claim, DSR business development director Alex Watt wrote that the Government's compensation liability could not "in my opinion be held solely attributable to the construction contract".

"It is entirely possible that the downturn in EBITA was as a consequence of general market conditions, a consequence of con-

struction, a consequence of seasonal factors or just chance," he wrote.

Also, Perth Arena opened 12 months earlier, providing a direct competitor to nib Stadium for lucrative concert business, which made up to triple the revenue of a sporting event.

The next day, in an email about whether the compensation could come from the redevelopment's capital budget, DSR director of facilities Rob Didcoe wrote: "I don't agree with the position being taken, especially given there is no requirement under the (compensation) clause in the HoA for Allia to prove causation resulted from the redevelopment rather than from market forces."

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