



Simon Corbell MLA

ATTORNEY GENERAL
MINISTER FOR POLICE AND EMERGENCY SERVICES
MINISTER FOR THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

MEMBER FOR MÖLONGLO

Ms Mary Porter AM MLA
Chair
Standing Committee on Planning, Public Works
and Territory and Municipal Services
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Ms Porter

I refer to your letter of 18 November 2011 in relation to the financial relationship between the Territory and the Brumbies Rugby. As the Minister responsible for Environment and Sustainable Development I do not have direct responsibility for financial matters relating to the Brumbies Rugby. However, in order to assist the Committee with its inquiry, I have sought advice from Economic Development Directorate, Sport and Recreation Services. In this regard, the following information has been provided for your consideration.

Brumbies Performance Fee Agreements

The Performance Fee Agreements (PFA) secure the ongoing tenure of Brumbies (and Raiders) games at the Canberra Stadium, delivering commercial returns to the stadium to support its operations and the associated portfolio of activities conducted by Territory Venues and Events.

Following the previous PFA (2004-2009) the Government agreed to new ongoing agreements in late 2009. This new agreement amalgamated all existing payments to the Brumbies (the Performance Fee and National League Team Funding) into a single payment, acknowledged CPI increases, raised the level of Payroll Tax Waiver and recognised the increasing number of games that would be played at Canberra Stadium under the new Super 15 model.

The Brumbies agreement is for six years (until 2015) that started with an annual value of \$1.55 million in 2010 – this agreement was signed on 4 May 2010. Full details of these arrangements are included in the table below.

The Brumbies PFA includes a repayable loan component. In early 2009 the Brumbies sought Government financial assistance after ISC, their apparel sponsor, appointed a voluntary administrator. This assistance package included an increase in their payroll tax exemption (from a maximum capping of \$250,000 to \$500,000); a one off 'cash top up' to their performance agreement for 2009 (\$300,000) and a repayable loan (\$170,000 to be paid back in instalments of \$34,000 per annum for 5 years). The new PFA recognises these repayment requirements.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0000 Fax (02) 6205 0535 Email corbell@act.gov.au

Brumbies Performance Fee Agreements 2010-2015

Year	Number of games	Cash component*	Payroll Tax Waiver	Total Package
2010	7	\$965,022	\$590,000	\$1,555,022
2011	8	\$1,100,587	\$590,000	\$1,690,587
2012	8	\$1,128,102	\$590,000	\$1,718,102
2013	8	\$1,156,305	\$600,000	\$1,756,305
2014	8	\$1,185,213	\$600,000	\$1,785,231
2015	8	\$1,214,843	\$600,000	\$1,814,843

*Does not include repayable loan amount

Other

Brumbies – Community rugby support

Through the Sport and Recreation Grants Program the Territory provides operational support to the ACT and Southern NSW Rugby Union (the Brumbies) for community rugby promotion and development. The Brumbies received Category A funding (top tier) of \$60,000 in 2011, the first year of a three year triennial funding commitment.

Brumbies – facility support

The Government announced in May 2009 a commitment of \$1.05 million to upgrade the playing surface at Griffith Oval, recognising that the surface was not in a condition to support one of the world's premier provincial rugby teams.

During this time the Brumbies prepared a planning report in support of proposed Territory Plan variation for the Griffith site, section 42, Block 15 and the adjacent Griffith No.1 (part Block 17). However, on 19 August 2010, the ACT Heritage Council decided to place the Griffith Oval site on the ACT Heritage Register and indicated that it did not support the rezoning of the oval as proposed by the Brumbies. Given the uncertainty surrounding this proposal and the rezoning of the Griffith oval, no part of the allocated \$0.05 million available in 2009-10 was provided.

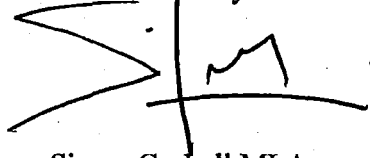
On 14 September 2010, the then ACT Planning and Land Authority decided not to proceed with the rezoning of the oval, based upon the heritage considerations. It is understood that the Brumbies consider it no longer viable to maintain a presence at Griffith.

In 2011 the Brumbies completed a study exploring a range of other options that remains subject to continued consideration. While the Government's initial \$1.05 million commitment was linked to Griffith Oval, it was also intrinsically linked to the Brumbies - \$50,000 of this amount was provided to the Brumbies in September 2011 to help support the cost of their facility options study. The remaining \$1 million is yet to be expended.

I would point out that the Environment and Sustainable Development Directorate has had no involvement to date in the above funding arrangements, or in relation to the 'facilities options study'.

I trust this information is of assistance to the Committee.

Yours sincerely



Simon Corbell MLA
Minister for Environment and Sustainable Development

25.11.11