

MOTORSPORT FACILITIES AND EVENTS

Motion

HON BARRY HOUSE (South West) [10.36 am] — without notice: I move —

That this house condemns the Western Australian government for its lack of support for, and mismanagement of, motorsport facilities and events.

I have moved this motion because this government's inaction and mismanagement has let a disaster unfold in the field of motorsport in Western Australia. This disaster has already cost the Western Australian motorsport community dearly and looks like costing it more dearly in the future.

By way of background, we know that the Western Australian motorsport community is a very dedicated, committed and fanatical group of people who are extremely proud of, and extremely involved in, their industry. The following for motorsport in Western Australia might be relatively small compared with mainstream sports, but it involves an extremely committed, dedicated and passionate group of people. Hanging off that interest and involvement of many Western Australians is a very important social outlet and a very important economic benefit. An important industry is associated with motorsport around the world, and Western Australia is no exception to that.

A few years ago Western Australia hosted a world-class iconic event called Rally Australia. Rally Australia provided an off-road section, throughout the forests of the south west and around the hills areas of Perth. It provided a street racing section. I know that many members in this Parliament went to The Esplanade to view the tracks that had been specifically set up for Rally Australia. A section of Rally Australia was conducted in Busselton, which I attended. Sections were also conducted in Bunbury and in various towns around Western Australia. Rally Australia catered for spectators and motorsport enthusiasts and promoted international appeal for Western Australia. Rally Australia was popular among the people who follow motorsport and it was largely accepted and embraced by the Western Australian community in general. It promoted Western Australia on the international stage in a positive way and had an economic impact on Western Australia. However, perhaps ironically, the state Labor government put forward as the reason for canning the event a few years ago that it was not producing a big enough bang for the buck; it was let go on the pretence that not enough dollars were being returned for the government's outlay. The figure quoted was \$1.60 being returned for every \$1 outlay. The goal for events was a five to one ratio, but that was never substantiated.

Hon Ken Travers: What do you mean by "never substantiated"?

Hon BARRY HOUSE: It is quite obvious. It was never explained to the people of Western Australia exactly what the \$1.60 comprised and how it materialised. The figure left out a whole series of other benefits that were not factored in. That is what I mean by "never substantiated". It is interesting that, even today, the event compares favourably with some others that the government still sponsors through EventsCorp and by other means. It stacked up adequately.

That event is now lost to Western Australia; it has gone, probably forever. I believe it has gone to somewhere in Africa. The losses to Western Australia are plainly obvious in the motorsport community's loss of enjoyment and involvement in its sport. Economic, social and tourism values have also been lost. I understand that there are still questions. The minister, who is a motorsport enthusiast, as I know from Targa Tasmania and other events, may be across some of these issues and may give us some information in his response. I understand that questions still surround the infrastructure used to operate Rally Australia and owned by the Western Australian taxpayers. That is what I have been told. I understand that Queensland has made a request for it, and there is a fear that that asset might be handed over—in other words, given away. Of course, a lot of intellectual property has developed around this event over time, which also has a value.

At the same time, over the past five or six years, private interests have been trying to work up a proposal for an international racetrack around Bunbury. This would not have cost the government anything and would have provided an outstanding international facility without the requirement that government put in any money whatsoever. The racetrack would have provided for all types of motorsports, except Formula One, but I understand that the racetrack would have been suitable for testing Formula One cars. I will say more about that later.

It has come to a head in recent days with the Minister for Sport and Recreation's announcement of the appointment of consultancy firm GHD to inquire into and report on the motorsport industry. The minister's media statement indicates that GHD has been given a pretty wide brief in some senses. The media statement is dated 20 May 2008 and is headed "Consultant appointed for motorsport study" and reads —

The State Government has appointed GHD as consultants to undertake a review of motorsport facilities in Western Australia, in order to assess what works are required to attract and maintain racing events such as the V8 Supercars.

I understand that GHD was appointed without a tender process. Questions have been asked on that, but I understand that the appointment is within the guidelines, so I will not question it or make an issue of it. The media statement continues —

The assessment would not only consider what was required in order to maintain V8 racing, but the possibility of attracting other motorsport events including more motorcycle racing and even Asian-based competitions to WA.

This will be relevant to what I have to say later —

The assessment by GHD would include extensive stakeholder consultation, including those currently associated with Barbagallo Raceway. GHD's considerations also include the best management and governance structures for a facility's long term operation.

“Financial modelling will be undertaken during the investigation to identify the most effective funding mix to deliver a facility, including the option of replacing Barbagallo with a greenfields track site if an appropriate and viable business case can be demonstrated.” . . .

The minister acknowledges the importance of motorsport in the last sentence of the media statement, which reads —

Motorsport has a passionate following in this State and the broader community will also be able to register their views through a special email address

All that is fine, but there are some questions to be asked about the appointment of those consultants at this time in the scenario that has unfolded around motorsport in Western Australia, and about the cost, the brief and the time line for those consultants. All these matters are unknown at this stage. I suspect that the reason for the minister's announcement of the appointment of the consultants is that we have arrived at the eleventh hour and panic buttons are being pushed everywhere about motorsport's future in Western Australia. The major reason is that Western Australia risks losing another significant major motorsport event, which is the V8 Supercar Championship Series. Western Australia has the contract for one more series, which is for next year. After that Western Australia looks like losing the V8 Supercar Championship Series as well as Rally Australia. The government has clearly been caught with its pants down. The situation has reached crisis point. The government has come out with an eleventh hour, panic response, which is the appointment of consultants to create the illusion that something is being done.

The consultants have been appointed with an unknown and unclarified brief, on an unknown time line, and at an unknown cost to the taxpayers of Western Australia. It smacks very much to me of the appointment of a committee to paper over the cracks that have appeared and to get the government through the next couple of months, which represent the election period. The opposition, in contrast, has been very proactive in recent years. We have heard the member for Carine, Katie Hodson-Thomas, as the shadow spokesperson for tourism, make many comments over recent years about Rally Australia in particular and about the proposal for a street race to promote a tourism opportunity in Western Australia. The late Trevor Sprigg, who was member for Murdoch and had this shadow portfolio until he tragically passed away a few months ago, was very proactive in promoting an opportunity for motorsport racing in Western Australia. He promoted and advocated a street race around the streets of Perth. I know it was not everybody's cup of tea, but it promoted something that would have been a hook with which to maintain the involvement of the Western Australian motorsport community, and the commitment and involvement of the V8 Supercar Championship Series, in Western Australia. I understand that street racing of that sort is not too popular with the purists, but the crowds love it. Obviously, there were some issues with it in Perth. Apparently it is a bit hard to make a financial case for it.

Hon Ken Travers: A bit hard!

Hon BARRY HOUSE: Hon Ken Travers would know, would he? Obviously we will hear him quote the figures in a minute.

Hon Ken Travers: You are telling us how you have been proactive. Where is your financial modelling before supporting it? Did the opposition do any financial modelling or is it just promoting it without any financials? Is that how the opposition operates?

Hon BARRY HOUSE: I am sure we will hear the member's speech a bit later. Hon Ken Travers is bound to be as much of an expert on this matter as he is on everything else!

Street racing would have caused some disruption to the CBD area of Perth, but at least there was a proposal to do something. I understand that the Wanneroo Raceway has had some issues about convincing the V8 Supercar

Championship Series to stay. Those issues revolve around the question of facilities, the pit location, the track layout and, of course, the financing of the series. It has been suggested that the budget to run a V8 Supercar series is about \$1.7 million, which is a not insignificant amount for a private organisation such as the WA Sporting Car Club to fund. Although supported by the Wanneroo city council, the club is seemingly questioned by everyone else. The writing has been on the wall for several years. This matter has not come out of nowhere. The V8 Supercar series' promoters have been asking these questions for some time. I bring this motion to the house today because it is valid to ask the government why it has waited until the eleventh hour to address the issue in some form or another. One cannot help reaching the conclusion that the government's choice is aimed more at hosing down the issues, concerns and complaints over the next few months while it staggers through an election campaign.

Over the past five or six years, a very active group has promoted and encouraged international motor sport and the development of facilities in Western Australia. For more than five years Perth International Motorsports Management, which is headed by Mr Ross Roberts, has tried to get a proposal up for the development of an international racetrack in Bunbury. It is proposed to develop a track to international standards, suitable to cater for every international event except, as I have said previously, Formula One racing—although it would be suitable for testing at that level. PIMM estimates that the cost of establishing such a track is about \$35 million. It does not want any government money. I will repeat that. PIMM is not asking for any government money. This facility, provided for the use of Western Australians into the future, would be built without government money. PIMM does not want to take events away from the Wanneroo racetrack. It wants to develop a facility that will complement other motorsport activities in Western Australia, including the Collie Motorplex, located just down the track. This development would establish a critical mass in the Western Australian motorsport industry.

PIMM has secured agreements for a host of international events over that period. It has the unanimous support of most of the south west community, including, most importantly, the Bunbury city council and the Dardanup shire council—the land lies in the Dardanup council area. However, PIMM has endured five years of frustration and bureaucratic obstacles. Time after time, problems have been put in the path of the development. PIMM has battled to clear one problem, only to have another emerge. Some difficulties were encountered with the development of the greater Bunbury region scheme. Over the years, some problems obtaining environmental clearances were encountered. However, I understand that all of those difficulties were dealt with. Those hurdles were cleared and progress was made with the positive cooperation of the ministers involved; that is, Minister MacTiernan and the then Minister for the Environment, Judy Edwards. When PIMM thought that all the planning approvals and other details were locked away—it had even started clearing the site for the racetrack development—the project was closed down by a conservation order issued through the Department of Environment and Conservation. That order revolved around the discovery on site of a donkey orchid. From all accounts, that orchid does not appear to grow exclusively at that site; it is not unique to the site. The orchid is found all over the south west and can be grown easily in other locations. In fact, Mr Roberts told me the other day that he has 43 of these plants growing very healthily in pots at his home. If one is to believe the conservation order, Mr Roberts has grown the orchid in an environment totally foreign to its natural environment. It appears that it is not exactly difficult to grow the plant anywhere else.

It is interesting to note how convenient government bureaucracy can be at times. The boundary of the conservation order put on the land—where this orchid is supposedly located and designated to be so important—exactly and absolutely follows the road reserve for the Bunbury port access road that will cut through this area. The road reserve for the Bunbury port access road is excluded from the conservation order. The proposed racetrack development lies on one side of the road reserve. Light industrial development, needed to finance some of the proposals associated with the racetrack development, is proposed for the other side of the road reserve. It is bureaucratically convenient that the line delineating the road reserve set aside for the Bunbury port access road follows exactly the conservation order's border. I am not advocating that the Bunbury port access road corridor should come under a conservation order. As the Leader of the House well knows, that port access road is desperately needed and, hopefully, we will see some action on the construction of that road in the next few years.

Hon Ken Travers: I am interested to know whether One Nation left you a kit on conspiracy theories.

Hon BARRY HOUSE: Hopefully, we will hear something intelligent from the member later on, but I doubt it.

The Perth International Motorsports Management team has not been able to get title for the land. It is challenging that at the State Administrative Tribunal. PIMM has incurred significant cost outlays and significant financial difficulties as a result of all this bureaucratic interference and obfuscation. The international events PIMM had secured by agreement have been lost to Western Australia. The state has a worldwide reputation as a motorsport backwater and, regrettably, it is now something of a laughing stock in other parts of the motorsport community. I have a lot of material on that proposal, among which is a very well-developed proposal from the Bunbury international circuit. It is a new FIA—Fédération Internationale de l'Automobile—approved international circuit for Bunbury. The brochure outlines the proposal in general terms and refers to the "New FIA Approved Bunbury

International Circuit”, and provides a little information about the major events that would have come to Western Australia. It refers also to the “Most Exciting Motorsport Events Ever Held In Western Australia”. Among those are a grand prix masters race and Formula Nippon. Motorsport is very popular throughout Asia and those events would have agreed to come to a facility had it been developed. People who have been drivers in Formula Nippon and made their way to Formula One racing include people such as Ralf and Michael Schumacher, Eddie Irvine and Jacques Villeneuve. Formula Nippon is Asia’s premier open-wheel racing series and is a counterpart to Europe’s Formula 3000 series. Grand Touring championships and other events are outlined within this brochure.

Unfortunately, the development of that multipurpose racing circuit has stalled very badly. The people at Perth International Motorsports Management summed up their feelings in a statement released on 12 May 2008, just a couple of weeks ago. It is worth reading the statement into *Hansard* so that people are aware of PIMM’s frustration. I could table the document, Mr President, but I will read parts of it at least. It is headed “Perth International Motorsports Management No Race Circuit for Bunbury” and states —

Perth International Motorsports Management is at serious risk of losing its interest in the land intended for the Bunbury International Circuit, putting its plan to build a \$30 million racetrack in jeopardy.

Delays in obtaining the unencumbered title to the portion of land designated for the circuit from the State Government, primarily due to the discovery of a rare and endangered species of orchid have put the project approximately 2 years behind schedule and forced the company to review its entire position.

PIMM has now been informed that BankWest intends to commence steps to foreclose on a \$2.5m loan granted to the joint venture company, Motorsports Industrial Properties (MIP), which was formed by PIMM and WA Developments Pty Ltd to develop land adjacent to the proposed Bunbury International Circuit into industrial lots.

The land designated for PIMM’s circuit and the land designated to be developed by MIP into industrial lots are currently part of a single portion of land, which for the past 12 months has been in the process of being subdivided into two separate lots. This was to enable PIMM to have security of its own title for the circuit and business operations.

PIMM has not been able to secure clear title to its portion of the land and the bank retains the MIP mortgage over the entire portion of land, including the land for the proposed circuit.

The Discovery of the orchid species on a part of the land bisected by the proposed subdivision line for the PIMM and MIP portions has delayed the subdivision process.

Before it would agree to support the subdivision of the land into two lots, the Department of Environment and Conservation (DEC) requested that approximately 15ha would need to be set aside for the orchid. DEC would not allow the area to be on two titles or for the boundary line to pass through the centre of the 15ha.

In a bid to resolve the stand-off, PIMM agreed to take all the orchids on its portion of land and give MIP some of its unaffected land. Despite this proposal, MIP rejected PIMM’s offer and PIMM now finds itself frustrated in its attempts to meet both the State Government’s approval requirements and those of MIP.

PIMM is concerned that its project has been delayed and put in jeopardy by this rare orchid, when it has been reported that other development sites such as Kemerton would not be affected by the same species.

PIMM now finds itself stalemated having already spent more than \$2 million in marketing and administration, as well as on-site land clearing and preliminary circuit works.

PIMM has also suffered significant losses in goodwill in having to cancel contracts to bring a number of international racing events to Bunbury, including Formula Nippon and the Super GT Series.

The cost of this goodwill is of most concern to PIMM and considerable funds have been expended in developing relationships and training staff overseas at these events.

PIMM has been focused in its efforts to build a race circuit on the site at Bunbury, but without access to the unencumbered title to its portion of the land and with the foreclosure action foreshadowed by BankWest, PIMM’s likelihood of completing the circuit on the current site appears impossible.

PIMM remains committed to delivering an international standard motor racing circuit to the people of Western Australia and believes that the Bunbury region is still the right location for this project.

PIMM will continue to defend its right to retain its portion of the property designated for the circuit and seek a solution, even if the property is sold by BankWest. PIMM will continue to support the construction of an international circuit in the Bunbury region.

PIMM has instructed its legal counsel to commence legal proceedings against WA Developments Pty Ltd for any losses and damages caused by its actions and in delaying the State Administrative Tribunal process so PIMM could not be granted its legal title.

We will also demand an answer from the State Government and EPA as to why they have allowed this delay to continue knowing that it would lead to the demise of the project.

PIMM has received strong support and encouragement from the people of the South West for many years and would like to thank everyone for this most generous support.

PIMM is disappointed at the total lack of any support from the State Government towards this project.

Due to the current outcome, PIMM says sorry to the people of Bunbury and the South West for the delays in delivering this exciting project for the benefit of all Western Australians.

That is a very proactive, positive, private proposal that would have addressed many of the issues associated with motorsport in Western Australia, a sport strangled by the state government. The group has expressed fears to me that the criteria given to the consultants to address the future of motorsport have already been altered to the extent that they will address issues associated with Barbagallo Raceway, Wanneroo, but will attach a very low priority to the other criteria formed to investigate the provision of another greenfields facility. There are concerns that the consultants have been gelded before they even start. It appears to me that the government's response to the unfolding of the disaster of Western Australia's participation and reputation in motorsports has been too little too late. Now, during the lead-up to the election, a very limited investigation is being undertaken to paper over the cracks in the hope that the government will not cop too much flak for its mismanagement and incompetence. The situation warrants some direct action to address the issues. In the immediate sense, that may involve providing some support for Barbagallo Raceway to secure the V8 Supercar Championship Series into the future. It certainly needs to involve the clearing away of some of the bureaucratic hurdles that have been put in front of other proposals, such as the private proposal for the racetrack in Bunbury that I outlined. The proposed Bunbury racetrack would have excellent access for metropolitan and country motorsport enthusiasts. Many of them come from places such as Bunbury, Collie, Pinjarra and Mandurah. With the new Perth-Bunbury highway due to be opened in about 18 months, the development of the Bunbury outer-ring road and the Bunbury port access road, the proposed Bunbury racetrack is a superb location.

In summary, the government's performance in dealing with motorsport has been, at best, very ordinary; in fact, it has been appalling, quite frankly. It has cost the Western Australian community seriously in lost economic benefit; it has cost the motorsport community seriously in terms of its involvement in these events and it has certainly cost Western Australia its reputation, as well as tourism and development potential. The government deserves condemnation. That is why I moved this motion.

HON KIM CHANCE (Agricultural — Leader of the House) [11.09 am]: Hon Barry House commenced his speech by saying that the Western Australian government's involvement in motorsport has cost the motorsport community dearly. I do not believe that he produced a shred of evidence to support that claim. I have to declare an interest here. I am a member of the Western Australian Sporting Car Club and I hold a competition licence from the Confederation of Australian Motor Sport, formerly under the licensing of the International Automobile Federation.

Hon Ken Travers: So you're a fully registered revhead?

Hon KIM CHANCE: Yes.

Hon Norman Moore: He's actually a legal hoon!

Hon KIM CHANCE: That was well said. I do have regular contact with motorsport in Western Australia. Motorsport in Western Australia, which is a small sport, as Hon Barry House has said, has never enjoyed a better time than right now. I want to run through a couple of issues. For a start, in the area of speedway and drag-racing, the Perth Motorplex at Kwinana is an internationally-renowned facility. It is an absolutely superb facility that is used by other divisions of motorsport from time to time. We have seen the development of the Collie Motorplex, which is a tremendous example of regional motorsport literally pulling itself up by its own bootlaces. It has done a tremendous job. We have seen huge upgrades at Barbagallo Raceway. I will challenge a couple of things said by people about the fitness of that circuit for the V8 Supercars. Additionally, the private sector has put in the AHG Driving Centre at the international airport, which is also used by motorsport from time to time. More recently still, we have had the innovation of Targa West, which has really put Western Australia on the map in the fastest growing area of motorsport, bitumen rallying. There have never been more opportunities for this relatively small sport to engage in a broad spectrum of motorsport at a very high level.

I had never heard of the proposition that Hon Barry House raised about the promoters of the Bunbury circuit. It is certainly not something that is on everyone's mind. It may be an important proposition in Bunbury. It seems to

be promoted as an international circuit. I have not spoken to Perth International Motorsports Management, although I had heard of a proposition about Formula Nissan coming to Western Australia. Hon Barry House indicated that the government is putting hurdles in the way of motorsport and that somehow the placement of those hurdles is strangling motorsport. It is not strangling motorsport; motorsport has never been more active in Western Australia. The hurdles are the state's environmental laws. It has been suggested that we should set aside the state's environmental laws to assist this company, which is not facing any greater hurdle than any other business in Western Australia. It sounds like a business proposition. The state will certainly not set aside the state's environmental laws for any business.

If Hon Barry House had understood the facts about the sheer avarice of the FIA and its continual demands for more and more state taxpayers' subsidy to keep Telstra Rally Australia going, and if he understood the threats that FIA made to withdraw that event from Western Australia, he probably would have been a little less critical of the state government. As a supporter of motorsport, when I first became aware that the minister was considering calling the FIA's bluff on the Western Australian leg of the World Rally Championship, I encouraged him to pursue that line. Its bluff had to be called. What was being asked of the state under this continual barrage of threats was unreasonable. The financial situation certainly indicated to me that our massive investment in the event was returning a very marginal return in comparison with other events. I did not lift a finger to save the Western Australian leg. Although threats were levelled at the state that the event would go to Victoria, Queensland or wherever, it is interesting that no other Australian state ever picked up that event. The state government said to the organisers that if they did not think the government was putting enough into this event, they should go to another state. No other Australian state found it attractive enough to pick it up. That reflects pretty accurately on the relative value of that event. It was a great event; I am not a critic of the event. I enjoyed it, as did thousands and thousands of Western Australians.

Hon Ken Travers: Leader of the House, I remember watching you watch the super stage as if you were watching an orchestra as the cars came around the corner.

Hon KIM CHANCE: I had the pleasure of doing some hot laps with a very famous Belgian driver. We had just changed into fourth gear as we reached the peak of a hump at almost 7 000 revolutions a minute. I asked the driver what speed that was and he said it was just over 160 kilometres an hour, and we were in the air. He was chatting to me while we were in the air going over the hump, which was a lot of fun. It was a great event. Events have organisers and organisers are inclined to ask for more and more. No other Australian state picked the event up.

Let me refer to another event, the Adelaide Grand Prix. The Kennett government worked so hard to draw that event to Albert Park, and now the Australian Grand Prix is held at Albert Park. The Adelaide Grand Prix was regarded within grand prix circles as probably the best in the world. It was a tremendous event. That was sufficiently attractive for the Kennett government to do all it could to lure Formula One to Melbourne. People would have reasonably been able to foresee, although I do not think the government makes a huge amount of money out of it, that if an Australian leg of the World Rally Championship was attractive, another state would have picked it up. It was not attractive.

The Wanneroo leg of the V8 Supercar Championship Series has been enormously successful. The event organisers have to justify the enormous cost of bringing this event to Western Australia. It is a huge cost for the competing crews. I have raced at Wanneroo, Symmons Plains and Eastern Creek. Eastern Creek has superb facilities. It is a newer circuit in Australia. I do not think the facilities at Symmons Plains go anywhere near those of Wanneroo; certainly the track facilities do not. Some new pit facilities have been built at Symmons Plains, which are tremendous, but there is no great deficiency in the standard of facilities at the Wanneroo Park Racing Circuit.

Hon Barry House: If the condition of the facilities is not the reason V8 Supercars is threatening to not renew its contract, what is the reason?

Hon Ken Travers: It is a commercial negotiation.

Hon KIM CHANCE: It is a commercial negotiation and it is also a very expensive process. I have sympathy for the organisers and the competing teams because staging an event in Western Australia probably costs more than running three events in the eastern states. Let us be realistic about how much it costs to run an event like this in Western Australia; it is enormously expensive. It is expensive enough to hold an event in Symmons Plains in Tasmania but to hold an event in Western Australia is a huge cost compared with running an event in either New South Wales or Victoria where most of the teams are based. Therefore, the organisers must make sure that they will get a return when an event is held in WA. That is exactly what the Minister for Sport and Recreation is trying to determine. He has held discussions with Mr Wayne Cattach, who is one of the organisers of the V8 Supercar Championship Series.

Hon Ken Travers: He is the CEO of AVESCO.

Hon KIM CHANCE: I think his first name is Wayne. His surname is certainly Cattach. The Minister for Sport and Recreation has had discussions with him and I am happy to report that as a result of those discussions, the Minister for Sport and Recreation came away feeling as though there was a chance of achieving a positive outcome, which is precisely what the current negotiations and consultancy are about. The minister has been very clear from the beginning that our priority is to keep the Western Australian round of the V8 Supercar Championship Series at Wanneroo Park. That is what we want to achieve. We need to understand very clearly from AVESCO— Australian Vee Eight Supercar Company—what we must do to achieve that outcome.

The government is certainly aware that the organisation running the V8 Supercar series has not been satisfied with some aspects of the track at Barbagallo Raceway. AVESCO has previously stated publicly that unless conditions change, the event will not return to Western Australia after 2009. Since May 2007, the Minister for Sport and Recreation has been trying to get from the WA Sporting Car Club, which holds the lease at Barbagallo, information about what changes need to be made at Barbagallo Raceway to ensure it meets the required standard. The term “required standard” is fairly broad. We must understand what part of the circuit and its facilities need to be upgraded. I do not know whether the track is the issue. As I said, huge upgrades of the track have been undertaken. Having experienced other tracks, I think Barbagallo Raceway is probably one of the best tracks in Australia and that it is capable of running the Supercar series. I am advised that to date, the information that the minister has requested from the WA Sporting Car Club has not been provided. That is why he has gone to AVESCO to determine that information from it directly. I probably should not comment on why that is the case but issues have been raised within the WA Sporting Car Club about its management. I believe those issues have been addressed but it is probably not something that I should comment on.

To reiterate, the state made its decision on the clearly stated intention of retaining this event in Western Australia. That is our first proposition. The issues got sidelined a little because of discussions about a street circuit. Neither I nor the WA Sporting Car Club have ever supported the street circuit. The initial capital cost of setting it up would be about the same amount as it would cost to build a brand-new state school. Another issue was the ongoing financial commitment that it would require, which would amount to millions of dollars every year. It has always been my view that it would be much better to spend even a portion of that money to upgrade Barbagallo Raceway to the standard that AVESCO has indicated it requires, which would benefit motorsport generally for many years. GHD Pty Ltd has been appointed to carry out that study and I am looking forward to it coming up with a proposal that will point the way to the future for this sport. As much as I am a great fan of motorsport, I must recognise that it is a relatively small sport in Western Australia. Therefore, running international events will always be challenged by our geography. I would love to think that Western Australia could be part of the Asian racing circuit, but the Asian circuits in particular are focused on relatively small and very cashed-up operations that rely on circuits being relatively close by, although the Macau Grand Prix is probably an example of an extremely successful event that is an exception.

The state wants to continue its support for motorsport. The level of motorsport in Western Australia is very high and provides good opportunities. A Western Australian is currently racing at the Formula One level, which is absolutely fantastic. We support the provision of high-quality facilities and we always want to give motorsport promoters in Western Australia the opportunity to at least have a crack at attracting international motorsport events. However, it is an area in which we suffer considerable natural disadvantages, mostly from distance and the European-centric nature of motorsport. Motorsport is very clearly divided into three divisions—European, Asian and North American. None of the three divisions of motorsport is even remotely interested in talking to the others. None of the classes of motorsport actually matches the others. The nearest we got to that was the Formula Pacific and Formula Atlantic events, which were Formula Two class open-wheel events. They lasted for about five years when there was some degree of interchangeability but even then some American privateers raced here in Western Australia.

Hon Barry House: Can you give us more information about the cost of and time line for the consultants’ report?

Hon KIM CHANCE: I will get that for the member. Unfortunately, it is not part of my notes; all I have is the name of the consultant. I appreciate the spirit in which Hon Barry House has raised this matter because it gives us an opportunity to look at a sector of sport that we do not collectively know a great deal about. We know it is out there and that it has a lot of public support. It is good to have the opportunity to look at some aspects of that sport for which we have natural advantages and natural disadvantages and to try to understand them. It is certainly an opportunity for us to go through the factors that make the sport successful in Western Australia and where it could go in the future.

HON KEN TRAVERS (North Metropolitan) [11.28 am]: I will make a few comments on this issue. I had a fair bit to do with Rally Australia when I was the Parliamentary Secretary to the Minister for Tourism and with Barbagallo Raceway as both the Parliamentary Secretary to the Minister for Tourism and the local member. I should declare that I am not a revhead, as is the Leader of the House, but I have had the opportunity to watch

Rally Australia and I am happy to declare up-front that I have been hosted by the WA Sporting Car Club at the Barbagallo Raceway and that I have attended a number of V8 races there at various times. I was also hosted by AVESCO—Australian Vee Eight Supercar Company—when its representatives were in Western Australia pitching the idea of a street circuit to the government when I was the Parliamentary Secretary to the Minister for Tourism.

I want to lay to rest this view about Rally Australia. I have no doubt that Western Australians enjoyed this event, but the government provided assistance because the event was funded through EventsCorp. EventsCorp's role is to attract events that will provide an economic return and promote and bring tourism to Western Australia. After many years, Rally Australia reached a point at which it was no longer doing that. The Leader of the House pointed out that the government was under continual pressure to provide more and more funding to support the event. It is sad that the rally is no longer run in Western Australia, because we developed great expertise and the event won many international awards for being one of the best rallies in the world. However, it was funded by the state government for its economic and tourism benefits to Western Australia. Those benefits no longer existed in the end. Hon Barry House said that when the government did its economic modelling, it left out some of the benefits of Rally Australia. He did not say what those benefits were. I would be fascinated to know what benefits he claims were left out of the economic modelling when those decisions were being made. He said that Rally Australia compared favourably with other events. Which other events, with regard to economic return to the state, was he talking about? Some of the smaller events, in terms of the size of spectator bodies, such as the World Lacrosse Championship, provide an enormous return for the investment made by the state government. For every dollar the government invests, the state gets back something like \$16. Hon Barry House quoted the figure for Rally Australia's return on investment as \$1.60 for every dollar. I cannot remember the exact figure, but I will take his word that it was in that vicinity. The state government went through an extensive process to work out how to measure economic benefit based on a report by the Auditor-General of the Australian Capital Territory on V8 car races in Canberra. The event had been built up and all sorts of economic benefits were claimed for it, but the economic returns were double and triple-counted by event stakeholders; the event was not providing a return. As a result of the ACT Auditor-General's report, pretty much every state in Australia reassessed the ways in which they calculated the economic value of these events. The formulae that were developed as a result of that extensive report provided the basis on which the state government continues—I have not been involved with that portfolio for a while—to assess the economic benefits of events. If members are tempted to make the sorts of comments Hon Barry House has made, I urge them to first read the ACT Auditor-General's recommendations about how the benefits of such events should be measured.

The government was put under pressure early in the piece and it looked as though Rally Australia was to be taken away from us. I remember working very hard with the people of EventsCorp and the Western Australian Tourism Commission—I think it was around Christmas or New Year—to save Rally Australia because we wanted to see whether we could get it to provide a better return to the state. We succeeded in keeping the event at that stage, but in the end we could not save it. No-one else has been able to show that it is possible to get an economic return on the amount the government was asked to invest. It is my understanding that the previous Liberal government went through an assessment and seriously considered getting rid of Rally Australia because it did not provide an economic return. I accept that this is only anecdotal evidence, but apparently the Liberal government held on to Rally Australia only because there was a backlash from the tourism industry, which did not want Rally Australia to be taken away, for the reason that it was concerned that funding going into Rally Australia—I note Hon Norman Moore is smiling; I suspect I have probably encouraged him to make some comments —

Hon Norman Moore: No, I thought you might just ask the person who was responsible for what you're claiming happened.

Hon KEN TRAVERS: I can understand why Hon Norman Moore, as former Minister for Tourism, did what he did. In that situation, I also would have kept the event.

Very early on in the negotiations with the Federation Internationale de L'Automobile referred to by the Leader of the House, the government secured a commitment from Treasury. This meant that even if Rally Australia left Western Australia, the tourism industry would be secure in the knowledge that the money that had been going into Rally Australia would be available to be put into other events that would attract people into Western Australia and would get a better return. That allowed the government to negotiate with confidence, knowing that the people running Rally Australia who wanted more money out of the state government would not be able to use the tourism industry for leverage and support.

We all need to be careful about the fact that we are dealing with commercial entities that will seek to use people in various ways in order to obtain financial benefit. The FIA is happy to get the tourism industry to go out there and give the state government a whack, but it is not really worried about the tourism industry; it is trying to get the tourism industry to help it scalp more profits out of the state government of Western Australia. Nevertheless,

the government made that commitment, which meant that the tourism industry was happy to work with the government. When the event finally left Western Australia, the money that had been invested in it was put into other events that attracted a better economic return to the state, and the tourism industry supported those decisions. I accept that there are individuals who loved Rally Australia and who would prefer to have kept it in Western Australia—I suspect that the Leader of the House may be one of those people. However, the reason for funding in the first place was to get the economic benefits.

I turn to the V8 Supercar Championship Series. The Leader of the House has talked about the continual support the state government has given to the WA Sporting Car Club to keep the V8 Supercar series in this state, and again we are dealing with a corporation that is out there trying to make a profit out of the event. One of the shareholders of the Australian Vee Eight Supercar Company Pty Ltd is one of the wealthiest men in Australia; he certainly used to appear in Australian media rich lists. AVESCO is a very smart commercial negotiator, and every time the contract for the V8 Supercar series in Western Australia comes up for renewal, it seeks to position itself in the commercial negotiations.

The state government has also supported, assisted and worked with the WA Sporting Car Club. I give a little plug to my lower house colleague Dianne Guise, who has worked very hard in support of the WA Sporting Car Club to continue to be able to attract that event. The government is constantly faced with commercial entities trying to position themselves in the negotiations. Let us never forget that Rally Australia and the V8 Supercar Championship Series are marketing tools for the vehicle manufacturers of this world. Rally Australia exists and is supported by the motor vehicle industry for the reason that it is a marketing tool for Subaru, Toyota and Ford.

Hon Kim Chance: And Mitsubishi.

Hon KEN TRAVERS: It is also a marketing tool for Mitsubishi. Similarly, the V8 Supercar series is a major marketing tool for Ford and Holden in this country. That is why it exists. It is not just a motor vehicle race; it is also a marketing tool. Members should ask themselves why Toyota and Mitsubishi are not allowed into the V8 Supercar Championship Series. It is because Holden and Ford have a nice little cartel going that allows them the premier marketing tool for motor vehicles in this country. That is why other manufacturers are not allowed in, and why members will not see a Toyota racing around the track, even though Toyota is a world leader in Formula One. Toyota will not be allowed in because there is more money to be made by keeping the V8 Supercar cartel closed. In common with all businesses, vehicle manufacturers would love the state government to spend more money on their marketing tools rather than having to spend their own money on marketing. We need to keep these matters in perspective.

Let us turn to the street circuit. Why would we want a street circuit if we were AVESCO? We would want a street circuit because it would enhance our marketing opportunities to the Western Australian domestic population. That is fine. If it helps AVESCO, the state could still become involved if it also helps the state. I do not have a problem with giving AVESCO a benefit as long as we get a benefit. However, where is the return to the state from having a street race circuit? Does a street race circuit help the motorsport industry in Western Australia? No. However, an upgrade to the Wanneroo racetrack would help the Western Australian motor racing sport by providing a viable and useful facility. A permanent racetrack would absolutely help the WA Sporting Car Club, its members and its associated clubs, such as the bike racers and everyone else, but a street race circuit for maybe one week once a year would not provide any benefits to those people.

Let us consider whether there is a tourism benefit in having a V8 street car circuit. Again, I remind members to look at the report of the Australian Capital Territory's Auditor-General from a number of years ago and see what it said about the way in which the tourism benefit of such an event had been calculated. I ask members who are in this chamber today to promote this issue and who say the Liberal Party's great policy is to support a street circuit: where is the financial modelling for their view? If members opposite support this as a great event, where is the financial modelling that shows it will have a benefit to the state? I remember very vividly that whenever we used to ask the V8 Supercars organisers to provide us with an indication of the economic benefits to the state—which is what we ask all other bodies that come to the state wanting support for their events—they never ever produced it. I do not know whether they have produced that information for the opposition. If the opposition has that information and wants the event held in Western Australia, it should table it in this chamber today. I doubt that members opposite have that information. I remember the list we used to get from the organisers when we asked about the television coverage of the race. They would provide us with a list of all these television stations around the world that they claimed the event was shown on. That was not sufficient. Hon Norman Moore would have done this many times when he was the Minister for Tourism and he would have seen the economic analysis that events went through.

Hon Norman Moore: May I interject?

Hon KEN TRAVERS: Yes.

Hon Norman Moore: Can the member give me five minutes before the end of this debate to respond.

Hon KEN TRAVERS: Yes, at what time?

Hon Norman Moore: About five past 12.

Hon KEN TRAVERS: Absolutely, I will be well and truly finished by then—four minutes past. I will try to —

Hon Simon O'Brien: If only it was one minute less.

Hon KEN TRAVERS: So, I still have a little bit of time to go then.

Hon Norman Moore: Yes, as much as the member likes.

Hon Simon O'Brien: It is a splendid gesture.

Hon KEN TRAVERS: The list gave no indication of the audience that was watching the race in those countries, what time it was shown or any of that sort of information. Hon Barry House told us how Katie Hodson-Thomas has been promoting this issue and calling for a street circuit and how the late Trevor Sprigg had been calling for a street racing circuit. The problem for members opposite is that they get hooked into being pawns in commercial negotiations without checking the facts and without developing good policy. Once members opposite develop good policy and can prove the commercial returns to the state—which is why they should support the street circuit—they will probably find that the street circuit will be up and running; that is, if those returns are really there, because they have never been able to be spent. I am certainly keen to see the state try to work with the WA Sporting Car Club to develop a permanent venue at the Barbagallo Raceway that would be available to the V8 Supercars and would be of ongoing and lasting benefit to the motor vehicle industry in Western Australia.

I now turn to PIMM—Perth International Motorsports Management—because, again, I know that this state government has assisted PIMM in its search for a venue. I could give a speech about some of the failings of PIMM but I will not do that today. However, I will make the comment that PIMM first commenced looking at a venue at Perth Airport and did not proceed with that even though it had support from Westralia Airports Corporation to go down that path. I urge members opposite to ask PIMM why it did not proceed down that path and to ask Westralia Airports Corporation why it thinks PIMM did not proceed with the proposal to develop the original circuit to bring the Formula Nippon to Western Australia.

Hon Barry House: The member can tell us that.

Hon KEN TRAVERS: No, I will not go into that. However, I will tell members that after PIMM stopped pursuing the option of setting up a racetrack at Perth Airport, it was given a significant amount of assistance, as I recall, by the Western Australian Tourism Commission, in particular, to go for a site at Oakford. Again, I certainly urge members on the other side and the minister to allow the Tourism Commission to give them a briefing on what happened in the events surrounding PIMM's decision to go to Oakford and why PIMM did not proceed with the Oakford site proposal. PIMM then went to Bunbury. Again, as Hon Barry House pointed out, it received support from the state government. I think the member said that Alannah MacTiernan and Judy Edwards both supported PIMM in progressing its approvals at Bunbury.

Hon Barry House: Eventually.

Hon KEN TRAVERS: Earlier, the member commented that they had supported it. I thought that was not glowing praise but it was reasonably complimentary of the assistance that they had given PIMM to get the event up and running at Bunbury.

Hon Barry House: Both ministers helped PIMM eventually overcome some difficulties.

Hon KEN TRAVERS: Now it is “eventually”, but the reality is that by the member's own admission the government has tried to help PIMM at the Bunbury circuit. I do not know all the ins and outs of the latest bid, but as I understand from the way it was described to us today by Hon Barry House, PIMM has now come up against some issues involving the environmental laws of the state. Is Hon Barry House saying that we should discard those laws? Is the member actually saying that we should throw out our environmental laws and ignore those laws for this venture? That question has been met with silence.

Hon Barry House: Why have environmental laws been applied to this private land and not to the corridor for the Bunbury Port access road? That is a fair question.

Hon KEN TRAVERS: It is a fair question but the member needs to consider the issue of whether donkey orchids are in the access corridor.

Hon Barry House: It would be quite remarkable if the existence of the donkey orchids followed a straight line that corresponded to the road access and the orchids did not exist anywhere else. That would be pretty remarkable.

Hon KEN TRAVERS: I would imagine, although I do not know the details, that the reason this has been done is an environmental assessment. One thing the member will face is that even if the state turned around and said that it would ignore the environmental laws and grant permission to build the race circuit at that site, the project would be subject to commonwealth laws. We would probably find that commonwealth laws would apply if the issue is about rare and endangered species.

In summary, firstly, Rally Australia did not provide an economic return to the state that warranted the state government continuing to put money into it as an event in Western Australia. Secondly, the V8s and the rally are commercial entities and will always seek to negotiate commercial agreements, and I urge members opposite to not be used as pawns in those commercial negotiations. Thirdly, I support the state government going down the path of trying to work with the WA Sporting Car Club to develop the Barbagallo Raceway. In fact, that was another issue I wanted to mention in this debate today. I have a lot of time and respect for the people running the sporting car club out of Barbagallo Raceway; they are, in the main, volunteers. They are very dedicated, committed people and I have a lot of time and respect for them.

Hon Barry House: I did not criticise them.

Hon KEN TRAVERS: No, but I am about to in a way, which is why I make the point that I think the volunteers have done a great job. I think Hon Barry House made reference to the fact that the raceway costs about \$1.7 million and is a major commercial operation. I think the reality is that we will need to take the Barbagallo Raceway to its next stage of development to be able to attract the V8s, and that will require a board to run it that has a certain degree of expertise and skills that I suspect are not currently contained in the WA Sporting Car Club, because that is not the sort of club it is. Lots of motor racing organisations and clubs are very good at what they do; however, when they reach the point at which the commercial side of their operations becomes too large, they should consider implementing new structures. I will urge the minister to consider that. The review is a good thing, because it will allow us to determine whether the management of the raceway should be placed under a trust arrangement whereby those who belong to the trust have commercial skills. Such a trust could also be involved in negotiating the V8 Supercar event, although the WA Sporting Car Club would still be the club that runs motorsport in Western Australia and its members would remain the main users of the circuit. It is about time that we considered those sorts of structures. That is not a criticism of any of the individuals involved now. It is about organisations reaching the point at which the commercial side of their business is of such magnitude that they need to think about how their business is structured. The raceway is a major commercial operation. I think it is used almost 365 days a year. Private sector people use it and the police use it for training. Indeed, it is used for a range of activities. This is something that we must consider. I hope that after the review we can consider those issues with the WA Sporting Car Club. I encourage it to think about those issues.

As far as the V8 Supercar Championship Series is concerned, Barbagallo Raceway is the way to go. Because it is a marketing exercise, the V8 event will not leave Western Australia for more than 12 months. The organisers may threaten us. The event may move interstate or overseas for a year or two; however, it will come back to Western Australia because Western Australia represents 10 per cent of the market. Ford and Holden will want it back in the Western Australian market because the V8s are about selling Ford and Holden cars. Until the street circuit can demonstrate that it will provide a financial return to the state, we should not support it. We should support the establishment of a permanent venue at Wanneroo to support the motorsport industry of Western Australia.

HON NORMAN MOORE (Mining and Pastoral — Leader of the Opposition) [11.55 am]: I always find it interesting when members get on high moral ground and give us a lecture about how governments should look after their funds. Last night we talked about \$400 million going down the tube because of the shared services project. I will not talk about that now, because it has nothing to do with the motion. I draw the attention of Hon Ken Travers to the first major event to be held in Western Australia; namely, the Hopman Cup. The promoters of the Hopman Cup told the government of the day, which was led by Peter Dowding, that the event would be really good for Western Australia. It has been a really good event for Western Australia.

I suggest that Hon Ken Travers look at the V8 Supercar series contract and measure it in the context of the lecture he just gave us about how events have to make a return, because it provides that the state government will underwrite any losses. It does not require that the state make a profit or that it not cost the government any money. The contract provides an underwriting facility so that if the event loses money, the state's taxpayers pay for it. I suspect that contract still exists.

Hon Ken Travers: I suspect it does too. However, the contract is about the operational costs of the event. The Hopman Cup provides an economic benefit to the state. We underwrote the losses of Telstra Rally Australia because we were funding it, but it gave an economic benefit to the state.

Hon NORMAN MOORE: Can I have a go? Has Hon Ken Travers finished his speech?

This issue raises the fundamental question: why does the Western Australian government hold events? When I was Minister for Tourism, I was of the view that events should not have been a part of the tourism portfolio. Rather, they should have been a part of the Premier's portfolio, because events are held for not only tourism purposes. EventsCorp's charter was to support an event if that event supported tourism and provided economic benefit to the state of Western Australia, fundamentally through promoting the state. To me, that is not the only reason for holding events. It is a reason, but it is not the only one. I do not think it is altogether out of the question that the state of Western Australia should run and pay for events because people like them and want to attend them. The state government provides all sorts of things because people like them and want them as part of their lifestyle. I refer, for example, to cycleways, art facilities and theatres. Attending events is something people like to do. Why can the state government of Western Australia not run events simply to provide pleasure for the people of Western Australia? Certainly, if we took the view that all events held in Western Australia needed only to break even and that they did not need to attract 50 000 tourists or \$60 million worth of coverage on international television, why not have them? Events do not have to be about tourism.

There is no doubt that a lot of what has been said today by the government is right. When I was the tourism minister, there were many occasions on which I sat with event promoters in my office to discuss the things they wanted. They would regularly tell me that they would shift their event somewhere else if I did not agree to what they wanted. Hon Kim Chance, the Leader of the House, stated that the government has to call promoters' bluff. The government called the promoters' bluff on Rally Australia and the event was relocated. However, nobody else wanted it, so it was right. However, it was not right, because a stack of Western Australians used to go to that event. More importantly, thousands were involved in running it. Many volunteers spent most of their lives being involved in Rally Australia. It was a fantastic community event. I do not know whether the Leader of the House has attended the briefing that takes place prior to the commencement of Rally Australia; it is held in a huge hall with thousands of people. It was a magnificent event for people to be involved in.

Hon Kim Chance: Most of those people are now involved in Targa West.

Hon NORMAN MOORE: That is good. They have an incredible desire to be involved in motor racing. Rally Australia involved so many Western Australians doing good things. It meant that people in the country could watch cars racing through their towns. Although I am no revhead, I could see how important that event was to Western Australians. It should never have been judged on the basis of what tourism return it provided. It should have been judged on whether Western Australians wanted it and whether it was a good investment by the state to underwrite it and allow it to take place. When I was tourism minister, I did not call the bluff of the promoters of the Heineken golf event. They just decided to move the event. We did a deal with the promoters and told them how much money we would give them to assist in the running of the event. During the course of one particular weekend, I heard that there would be media event on the Monday to announce that the event had been relocated to Victoria. The promoters claimed at the time that it had nothing to do with money and that the golf course that would be used in Victoria was better than the one that would be used in Western Australia. The event subsequently collapsed. When the government decided to make \$1.5 million available for an international golf event—to be held in November, which is a better time of year—the promoters of the Heineken event screamed to the media that if we were making all that money available for a new event, why did we not give it to them? They never asked for it. I was grossly offended by that. I was also offended by the then opposition for criticising me uphill and down for losing the event.

Indeed, the opposition spent a lot of time criticising me when I went to a lot of trouble to ensure that we kept Rally Australia. They were very complicated and difficult negotiations. As the Leader of the House knows, significant commercial and personal interests are involved when one deals with those who are involved in international motorsport. Members should consider who owns Formula One Grand Prix and how he decides where it is held.

Hon Ken Travers: He doesn't have ownership of the rally, does he?

Hon NORMAN MOORE: He might own the rally now. I have lost track of all that. However, he had a mate who bought it, and these people make their own judgements about where events should be. Indeed, Melbourne is undergoing similar problems now because Mr Ecclestone has decided that he might not want the event to be there, and I guess that is on the basis that he wants more money. Therefore, I do not have any problem with Hon Ken Travers' argument that the states can in fact become pawns in commercial negotiations, and they have to make political decisions about these things. Some people from the group that runs the Le Mans car racing came to see me. They wanted to set up in Western Australia, and I was quite happy to negotiate with them about doing that. In fact, they wanted a racetrack at Perth Airport. They were going to build it and race Le Mans cars in Western Australia every year as part of an international circuit. That did not happen. I do not know why it did not happen. We lost government about a week later. However, all these things happen from time to time, and we do ourselves a disservice if we simply go down the path that Hon Ken Travers advocates; that is, that every event that is run in Western Australia must have a commercial return and must be involved somehow or other in the

tourism industry. There should be other criteria for deciding why we have events. The main criterion, in my view, is: if it is going to cost money, is it an event that we believe the people of Western Australia want us to spend money on and is it something they want us to do?

I always thought that we should have supported the continuation of Rally Australia, albeit that some of those measurements that Hon Ken Travers talked about demonstrated that it was not providing the economic return that we thought it was. I am not sure that those figures are right either, to tell the truth. EventsCorp and the former WA Tourism Commission would tell me constantly what the return was in the way in which they measured things. It is not just events that are measured; advertising campaigns must also be measured. Many things that a government does must be measured to try to ascertain the return it is receiving because it is involved in the commercial world. Making judgements about the return is often very subjective. The ACT Auditor-General's report to which Hon Ken Travers referred suggested a particular measurement was appropriate and others were not. I do not know who is right and who is not right. I suspect that at the end of the day they are all very subjective judgements, and often we will get the figures that people want us to see. However, we should be looking at events on the basis of what is good for Western Australians. If we get a significant economic return and a significant tourism benefit, so much the better; if that is not part of it, I do not have a problem.

Hon Barry House has brought to the house a motion that suggests that this government needs to work harder on motorsports in Western Australia, and I agree. We have to get a solution to this. Maybe we are being threatened unnecessarily by the organisers of the V8 Supercar racing; I do not know. However, people enjoy it very much, and the government has —

Hon Kim Chance: We didn't say that, incidentally; we didn't say that we were being threatened.

Debate interrupted, pursuant to temporary orders.