

HOMEBUSH MOTOR RACING (SYDNEY 400) BILL 2008

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. Ian Macdonald.

Second Reading

The Hon. IAN MACDONALD (Minister for Primary Industries, Minister for Energy, Minister for Mineral Resources, and Minister for State Development) [6.17: p.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Homebush Motor Racing (Sydney 400) Bill 2008, which is an important step towards giving the people of New South Wales another world-class sporting event at our purpose-built events precinct. The Sydney 400 will showcase our harbour city once again as the premier major events location in the region. The Government is pleased to invest in our State's future prosperity through the Sydney 400. Whether or not one follows motor racing, Sydneysiders will rightly enjoy the excitement that comes with hosting a world-class sports event in our city. More people watch the V8 Championship Series in New South Wales than similar events in other States. Through this bill we have removed the very real possibility that Sydney was to lose the presence of the V8 motorsport entirely. With the closure of Oran Park at the end of the year, and following the V8 Supercars decision to leave Eastern Creek, there would have been no V8 Supercars race for fans in Sydney. I seek leave to have the remainder of the second reading speech incorporated in *Hansard*.

Leave granted.

Eastern Creek is not an alternative at this time for this event. Whether or not Eastern Creek is upgraded in the future, the estimated cost could be upwards of \$100M, and the issue of transport services to support Eastern Creek is likely to remain.

Eastern Creek does not have the same superb transport infrastructure as the Precinct, which was designed to transport and accommodate hundreds of thousands of spectators at events.

Furthermore, the Sydney 400 Bill facilitates an event which will be much more than a race, it will be an EXPO style event that will include concerts, car exhibitions, fashion displays and family zones—utilising the facilities and venues within the Precinct. Such an event is unable to be replicated at Eastern Creek.

This bill provides Sydney with the Grand Finale of the V8 Season.

Every State and the Northern Territory has a V8 motorsports event:

- the highly successful Clipsal 500 in Adelaide, which this year recorded an economic benefit of \$31.32M.
- The Clipsal 500 attracted approximately 290,000 spectators in March 2008. These figures come from Tourism S.A.
- On 16 November, Townsville launched its V8 race to an overwhelming response, with thousands of people queuing over a mile long for tickets. That event is supported by both the State and Commonwealth Governments.
- The Gold Coast Indy records around \$60M economic benefit and in 2007 attracted approximately 314,000 people
- Our iconic Bathurst 1000, with 187,000 in attendance this year.

And of course, there is the Australian Grand Prix in Melbourne, Victoria held in Albert Park.

The Government appreciates the importance of helping to make our cities vibrant, fun and participative places to live and to visit.

We can estimate the economic return on the investment the Government will be making in this event, and which is being made possible by this bill.

The proposed V8 Supercars Sydney 400 race series has been estimated to contribute between \$100 and \$110 million to the State's economy. This estimate is considered conservative.

The event will create 110 full time equivalent jobs. These jobs are created as visitors and organisers spend money in the economy—at hotels and restaurants, for example, that service this expenditure employ people.

It is also anticipated that it will attract up to \$20 million worth of international and national media coverage each year, by using the best city in the world as a backdrop.

Sydney can also expect an extra 15,000 people to visit New South Wales from overseas and interstate, and an estimated 30,000 hotel visitor nights during the event.

They'll be treated to a great spectacle, in a venue that is tailor-made for hosting large-scale, internationally renowned sporting events.

With the Sydney 400, as with many grand sporting and cultural spectacles, there are less tangible benefits.

There will be international exposure for Sydney.

V8SA races are already held in Bahrain and New Zealand and I am aware discussions are occurring around establishing a race in Singapore. The Sydney race would allow Sydney to be part of this international circuit with the global exposure that this would deliver.

The V8SA races are presently broadcast to 110 countries and into around 930 million homes.

V8SA and its Australian TV partner, work with international and interstate media outlets to promote the cities where the races take place through their 'TV postcards'.

During the event Government will be hosting networking functions to target business clients to promote economic development and investment in New South Wales. As well as this V8SA will be hosting their "Gala Dinner" in Sydney following the event.

V8SA has also indicated that the Sydney 400 Race event will provide an opportunity for 25 New South Wales apprentices to participate in the TAFE motor repair program it operates, as part of the V8 race series.

As well, there will be an opportunity for a further 50 New South Wales TAFE trainees to work with the V8SA teams at the Sydney 400 Race across their hospitality, logistics, driver/mechanic support areas providing a great experience for those seeking to establish careers in these areas.

Events of the calibre of the V8 Supercars series have the potential to inject large amounts of money into the economy, stimulate local businesses, create jobs and attract tourists.

The level of Government support for the Sydney 400 is still being finalised and will be capped.

However, tried and tested economic modelling demonstrates that the V8 Supercars event is well worth the effort.

The New South Wales Department of State and Regional Development evaluated the event using a highly regarded Input-Output Model methodology. Information on the modelling and methodology is available on the Department's website.

The methodology applies multipliers to estimates of direct expenditure to estimate the total direct and flow-on effects of the event on an economy supplied by the Centre for Agricultural and Regional Economics.

The Department's modelling revealed the conservative benefit of up to \$100 to \$110 million to New South Wales over five years.

As well as the New South Wales Government maximising the benefits of the Sydney 400 race by inviting leading business people and prospective investors to attend business networking functions, Sydneysiders will be able to enjoy a spectacle second to none, with minimal travel and accommodation costs.

Sydney Olympic Park has the infrastructure and the layout to support what will be an exciting, dynamic road race—readily and cost effectively.

This bill will ensure that the impressive major events infrastructure at Sydney Olympic Park can be ready in time for next December's race.

Without the special measures being put in place by this bill, it would be impossible to meet that timeframe.

The Government considers that the special purpose arrangements for planning and other event regulation being put in place by this bill balance the need for commercial certainty with the need to protect the attributes of the Sydney Olympic Park precinct for current and future users and visitors.

Many of the provisions in the bill draw upon similar motor racing event legislation in other States, such as South Australia and Queensland.

The bill also draws on the New South Wales experience of special purpose legislation adopted for other events.

The bill establishes a dedicated regulator for the event called the Homebush Motor Racing Authority.

The new Authority will provide transparent and centralised planning oversight functions for the event. It will streamline approvals for the necessary pre-race preparations by V8 Supercars, while still ensuring that public safety and environmental matters are properly taken into account.

Although it is not envisaged that the Authority will be a large organisation, it will be assisted in its work by an independent Advisory Board, whose Members will be appointed by the Minister.

The bill also establishes an Event Implementation Advisory Committee, which will comprise various government representatives, as well as a representative from the promoter of the event.

The Committee's focus on operational matters will ensure the smooth running of the event.

It is anticipated that the Advisory Board and Committee will provide invaluable assistance to the Authority in its oversight of the promoter's activities before, during and after the race.

Only the Authority will be able to approve the promoter undertaking preparatory works for the event and impose conditions on the promoter's conduct of the race.

This will ensure that there is no confusing overlap of regulatory functions between agencies.

The Authority cannot allow the promoter to commence any preparatory work without first being satisfied that it has taken adequate steps to minimise and prevent harm to the environment, as well as disruption to other users of the Sydney Olympic Park precinct.

The bill provides that the Authority must also be satisfied that the promoter has complied with statutory requirements to undertake consultation with stakeholders affected by its works proposals.

These provisions draw on similar requirements imposed elsewhere—such as for the Clipsal 500 under the South Australian Motor Sports Act.

The Authority must also consult with Sydney Olympic Park Authority about any preparatory works. This will ensure that there is no unanticipated or avoidable inconvenience to other users of the Park.

The promoter must also seek the authorisation of the Authority to conduct the race itself. This authorisation may be given for up to five years.

The Authority will have the power to impose any conditions it considers reasonable on its authorisation, including for the protection of the environment and public safety.

The Authority could also impose further requirements on the promoter relating to consultation with stakeholders.

If the Authority considers that the promoter commits a serious or continuing breach of a condition then it may revoke its approval to conduct the race.

If the promoter breaches a condition relating to environmental protection, public safety or a requirement to hold insurance, then it may also be prosecuted.

This demonstrates how seriously the Government takes protection of the environment and protection of the public in the context of this event. The offence carries a heavy penalty, which is comparable to environmental offences in other New South Wales laws.

The bill goes further in this regard than similar legislation in other States.

Officers of the promoter may also be personally liable for any such breaches in some circumstances.

Given the desire to ensure public safety and protect the environment, the Authority also has an additional power to direct the promoter to provide information or do anything or refrain from doing anything in connection with a matter of environmental protection or public safety. It is unlikely that such a direction power would need to be used other than in urgent situations.

There is also an obligation on the promoter to clean up and reinstate the race area after the race period. If the promoter fails to do so within a reasonable period, the Authority may arrange for this work to be carried out and recover the costs of that work from the promoter.

The conditions of approval will be reviewed after each race to ensure they remain appropriate.

The bill will allow the Minister to declare that parts of the Sydney Olympic Park precinct—which are not already subject to leases—may be used exclusively by the promoter for the Sydney 400 during the specified race period each year. During that period, the promoter will have care and control of the land in question—which of course brings with it responsibilities as well as rights.

The promoter will also be deemed to be the owner of any land on which it is carrying out approved works prior to the event for the purpose of occupational health and safety requirements.

The Government recognises that some interests of leaseholders may be affected by the preparatory works at the precinct, as well as during the event period itself.

While every reasonable effort will be made to minimise disruption to business tenants and other users, it needs to be remembered that Sydney Olympic Park is a major events precinct.

Consultation to inform lessees and residents about the event will be a priority. V8SA has committed to holding regular meetings with the community and to distribute information updates.

I have met, together with the local member, Minister Perry, representatives of the Newington Precinct. These discussions have allowed residents to express their concerns and issues in an open forum. V8SA also met with representatives of the Newington precinct and have briefed the AGM of the Sydney Olympic Park Business Association about the event.

I am hopeful that through ensuring the event organisers work closely with all stakeholders there will be minimal disruption to the normal precinct activities and the event will be managed to the satisfaction of all parties, including residents. A sensible plan will be devised to address as far as possible resident parking and traffic related concerns.

An integrated ticketing scheme will promote the preferred use of public transport, to take advantage of Olympic Park Station, which can accommodate hundreds of thousands of spectators effectively.

The Sydney 400 will be a highlight on the calendar at Sydney Olympic Park and for sports fans all around New South Wales.

The bill ensures that unreasonable litigation does not mean New South Wales misses out.

It places limits on compensation claims against the race promoter and the State. No large-scale event of this type can be run where the potential liabilities to those involved are unquantifiable.

The bill protects against compensation claims for nuisance and for economic loss, such as for business interruption to leaseholders at Sydney Olympic Park. No immunity from personal injury compensation claims is proposed. The promoter will also not be protected from property damage claims.

Similar events in other States and at Bathurst also enjoy legislative protection from nuisance lawsuits.

The Mount Panorama Motor Racing Act 1989, for example, already prevents nuisance claims arising from the Bathurst race. The Motor Racing Events Act 1990 (Qld) and the South Australian Motor Sport Act 1984 also protect against nuisance claims arising from the races in those States.

The promoter will not have the benefit of a nuisance protection, however, if its actions are not in compliance with a relevant condition of its authorisation, such as the time during which the racing or practicing may occur.

Neither the State nor the promoter will have the benefit of protection against economic loss claims if their actions or omissions were not in good faith. This is consistent with the protections for the State under the World Youth Day Act.

Obviously, motor sports are inherently noisy. A very large part of the precinct will also be devoted to the race and its supporting events over the racing period, meaning that business as usual for some tenants may not be possible. It is important to remember, however, that the event is of a limited duration. We are talking about one event per year. It is also in the public interest that Sydney Olympic Park remains a vibrant precinct capable of staging major events.

In deciding to support this proposal, I took into account the views of many of the key lessees. I received letters of support from ANZ Stadium, Accor Hospitality, and I am aware RAS and Acer also support the event. The event provides a great opportunity for such lessees, who will receive much-needed throughput from this large, annual event. Members would be aware of reports in recent times accusing Sydney of suffering a post-Olympic lull and reports suggesting reduced attendance at ANZ Stadium for events such as the NRL.

As I have said the Sydney 400 event will once again showcase our harbour city as a premier major events location in the region.

The views and concerns of stakeholders will continue to be sought and taken into account during the approval processes in order to minimise any adverse impacts on them.

The bill also requires co-operation between government agencies to facilitate the staging of the event and allows for a Ministerial direction to be made to another agency if agreement about a matter cannot be reached between the Authority and that agency. Such a direction can only be made after consultation with the other agency's responsible Minister.

The bill also contains some restrictions on the rights of third parties to advertise in, around or above the event area, to film in or near the event area or to use official race insignia without permission of the promoter. These are similar to protections in other jurisdictions such as South Australia and Queensland, for this type of event. Advertising and filming limits can also be found in New South Wales legislation for World Youth Day and the Olympics.

The time period for the statutory review of the legislation has been shortened from the usual five years to ensure that any improvements can be made before the expiry of the Authority's approval to run the race. The bill provides that the review must be tabled within 6 months of the second race.

Finally, the bill provides that regulations may be made that are necessary or incidental to the Act. It is envisaged that, like other States' motor racing regulations, these will include regulations relating to parking, fees, ticketing, controlling the consumption of alcohol and the conduct of persons in the event area. The regulations under the Sydney Olympic Park Act may also apply to the event, with some modification if necessary.

The proposed bill effectively and proportionately deals with the need for transparent but expeditious

regulation of the Sydney 400. It ensures that a race will be able to be run in December 2009 and also that environmental and safety issues will be properly addressed.

I would like to place on the record suggestions the public will be prevented from utilising the Precinct for a sustained period are not correct.

Racetrack roads will be closed from Thursday 3 December—Sunday 6 December 2009 between the hours of 7.00am—7.00pm each day. These roads are to be re-opened to allow public access at the end of each day ie from 7.00pm—7.00am. Race car testing only is to be undertaken on Thursday 3 December.

I would also like to point out that through discussions with concerned stakeholders the revised circuit design now has most offices and hotels located outside the main circuit so they will have unimpeded access to their venues for servicing.

Ongoing negotiations will be held with all key operators in the circuit precinct to establish their requirements, which will be addressed in a traffic plan.

Also, figures in the public arena that the event will require the removal of up to 800 trees is a gross over-estimation. V8SA indicates it will hire an arborist for advice on the relocation of approximately 140 trees.

Where trees cannot be replanted, V8SA has confirmed it will replace each tree in locations nominated by the Sydney Olympic Park Authority at a ratio of 3:1. In the long term, the Sydney Olympic Park precinct could potentially have a net increase in trees.

V8 Supercars already has in place its V8 Racing Green Program. This program offsets carbon emissions from its racing activities by the planting of sufficient native trees every year to significantly offset, during the life of those trees, carbon emissions of V8 Supercars in competition and practice in that year.

V8SA advises in 2009, V8 Supercars will be powered by an E85 ethanol blend (85 per cent ethanol). This blend also dramatically reduces carbon emissions by an estimated 50 per cent compared to petrol.

V8SA has also engaged experts on both the Green and Golden Bell Frog and migratory birds. I am advised at no stage during the construction, bump in/bump out of the event will the habitat of Green and Golden Bell Frogs or migratory birds be built over or encroached on.

V8SA will put in place specific measures to ensure there will be no runoff into the brick pit, and any general spillages are contained at point.

In relation to concerns of infrastructure being left on site, I can advise the House that all event infrastructure will be removed from the site within 4 weeks after the event. No concrete barriers or other infrastructure will remain on site.

I would also like to clarify that approximately 30 light poles will be relocated during the civil works stage. The major light structures on Olympic Boulevard will not be affected.

In relation to noise concerns, racing hours will be contained between approximately 8:30am to 5:30pm. Accredited consultants will provide a noise report to the Authority following the event. Every effort will be made to keep noise to a minimum.

The Government shares concerns about illegal street racing and has taken strong preventative measures in this area.

Professional street races, such as a V8 street race, comply with strict behavioural codes as well as safety standards. V8SA will develop a 'Road Safety and Young Driver Training Program' specifically targeted at local New South Wales. The program has already commenced, and I am pleased to advise the House that on Friday 14 November V8SA held a driver training workshop at Strathfield South High School attended by Craig Lowndes and Jamie Whincup.

In conclusion, hosting this world-class sports event will add to the excitement of this city as a tourist destination and provide a range of benefits for New South Wales.

The bill proportionately deals with the need for transparent regulation of the Sydney 400 and provides clear mechanisms for consultative, environmental and safety issues to be clearly addressed.

The people of New South Wales have good reason to look forward to the event.

I commend the bill to the House.