

Costs under 'pressure' for controversial Perth Park racetrack project, state treasurer says

By WA state political reporter Courtney Withers

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Artist's impression of a multi-purpose building with function and event spaces to be built at Perth Park, part of the Burswood racetrack development. *(Supplied: WA Government)*

In short:

WA Treasurer Rita Saffioti said there is "no doubt pressure" on the \$217.5 million budget for the Perth Park project.

The project includes a controversial racetrack, which drew backlash from the public and opposition leaders when it was announced last year.

In a potential cost-saving move, the WA government secured approximately 3.7 hectares of land from the nearby Crown Towers resort and casino complex worth over \$36 million free-of-charge.

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It will be difficult for the government to stick to the \$217.5 million price tag to build a controversial new racetrack project in Perth, Western Australia's treasurer said, after assuring taxpayers for months the cost would not blow out.

But in a move that may have saved millions of dollars, the government has agreed to a no-money-exchanged land swap with the Crown Casino to purchase a crucial piece of land to build the track.



Artist impression of aerial view of Perth Park (Perth Entertainment and Sporting Precinct) in Burswood. *(Supplied: WA government)*

The project the government has dubbed Perth Park, after initially pitching it as a 'Motorsport Street Circuit' during the last election campaign, includes a 12,000-capacity outdoor amphitheatre, multi-purpose building and "multi-use racetrack" for cycling and an annual motorsport event.

Announcing a major building contract at the site on Friday, Treasurer Rita Saffioti said there was undoubted "pressure" to keep the budget in check.



Rita Saffioti speaks to reporters at the Burswood park site. (*ABC News: Courtney Withers*)

"Our ETCs [estimated total costs] is \$217.5 [million], there's no doubt there's pressure on that budget, but we'll continue to target that number," she said.

" ... there'll continue to be budget pressures as there are on all of our contracts."

"If there's changes to that ETC, then we'll make them at later dates but currently that's our estimated total cost.

"Like every project, there's always possibility of changes."



A view of the park's construction site. *(ABC News: Courtney Withers)*

Ms Saffioti also said a hospitality venue planned for inside the precinct will fall outside the \$217.5 million budget given it wasn't "envisioned" as part of its original plan, though it's unclear how much that will cost.

Public backlash

Ms Saffioti had been steadfast for months the project's cost would not blow out — including when unveiling the state budget last week.

"Well, there's \$217 [million] in the budget and that remains," she told 102.5 ABC Perth.

"That's our budget and that's what we're working towards."



Rita Saffioti, centre, speaks at the park site. (*ABC News: Courtney Withers*)

Despite it being an election promise, there's been considerable public backlash from resident groups and a teaming up of Opposition and Greens disapproval.

Perth Park has had several names since its inception, but the government maintained all its elements had been clear from the start, including the many tweaks and changes made since it was first announced on the election campaign trail in January last year.

When asked whether the government is trying to bury the racetrack element, Ms Saffioti said "no".

"When we announced this, and I recall it very, very well ... we announced that this is about the activation of the precinct,"

she said.

She said there was "always planning for an amphitheatre" which will benefit the arts and major events.



Roger Cook sat in a Supercar as the track proposal was announced. (*Facebook: Roger Cook*)

Zempilas digs in

Opposition Leader Basil Zempilas said the exclusion of the hospitality venue was an admission the \$217.5 million price tag "cannot and will not be met".

"I don't believe this project is going to be delivered for the \$217.5 million that the state government continues to suggest," he said.

"If they're separating this hospitality venue and now telling us it is a new element to this project, how could you claim that it's not part of the project if it's happening because of this redevelopment?"



WA Opposition leader Basil Zempilas spoke at a rally against the proposed racetrack development last year. *(ABC News: Phoebe Pin)*

Mr Zempilas also said current construction pressures would inevitably push the cost up.

"In this environment, it would be almost impossible to see how it didn't go up,"

he said.

"Why is it on this project in particular there is a determination from the state government not to give us clarity and certainty when it comes to what it is going to cost, what are they trying to hide?"

Land from Crown

The government had been in negotiations to own the land closest to the Crown Towers casino and resort complex as it was needed for the southern leg of the track.



The park will be located near the Crown Towers hotel complex. (*ABC News: Courtney Withers*)

Significantly, the government confirmed it had secured approximately 3.7 hectares of land from Crown worth over \$36 million free-of-charge.



Roger Cook may be planning victory laps around his controversial election-promised Burswood Park racetrack, but his government is being coy about one crucial element that could sink the whole thing.

Perth Park Steering Committee Chair, and Labor MP Daniel Pastorelli said the government had reached an "in principle agreement".

"As part of that land swap ... Crown will receive approximately 1.85 hectares of land on the south-western corner of the existing Crown complex," he said.

Mr Pastorelli said the 3.7 hectares sold to Crown in 2013 was valued at \$36.05 million and the 1.85 hectares the government was receiving in return was "independently valued and assessed" by Landgate at \$16.9 million.

When asked if Crown was being short changed, Mr Pastorelli said there were many benefits in the deal.



Daniel Pastorelli speaks to the media. *(ABC News: Courtney Withers)*

"They are receiving land in a more strategic position for their future business operations ... they already have private car parking in that vicinity, they will take over the car parking eventually as part of [the] land swap," he said.