

EXPERT PREDICTS HUGE HIDDEN COSTS OF BURSOOD RACETRACK

Reduced liveability in areas affected by the proposed Burswood racetrack could cost the WA Government at least \$500 million and up to \$1.8 billion over the next ten years in urban sprawl, according to an expert report commissioned by the Save Burswood Park Alliance.

Rather than the population of these areas increasing by up to 15,000 by 2036, as projected by the WA Planning Commission – almost as big as a whole suburb in outer Perth – far fewer dwellings would be built. A ripple effect would see the need for expensive new urban development on the city fringes requiring new roads, public transport systems, and extensions to water, sewer and power networks.

There would also be environmental costs, loss of wildlife habitat and agricultural land, and social costs of increased commuting times and reduced access to services.

The author of the economic report, property and planning expert John Syme, has long experience in government and private development projects. His report concluded that the benefit-cost ratio for the project would most likely be less than one, meaning it was economically unviable.

Mr Syme said the project was at considerable odds with overall planning objectives for the Perth metro area. There were also concerns about the proposed 20,000 capacity amphitheatre. The rationale that it would meet a gap in available venues that prevented touring acts from the eastern states from coming to Perth would be very difficult to support, with Perth Arena (16,500) under-used and many other venues such as Langley Park, Supreme Court Gardens, Kings Park, HBF Park, the WACA and Optus Stadium available for large events.

The report identifies the challenges of the Burswood racetrack that need consideration in a business case. These include:

- No information on the racetrack's place in an overall events strategy
- No analysis of whether the \$217 million cost was the best use of government funds in pursuing an overall strategy
- No information on what the \$217 million covers, or on whole of life and operating costs
- High economic risks indicated by a wide variety of attendance figures from comparable projects elsewhere
- No public stakeholder engagement before the project was announced, and at public information sessions it was presented as already decided

- The racetrack would be a substantial departure from the Burswood Park 2045 plan – the amphitheatre would be much bigger, and the plan’s Forest or Discovery Precinct would be replaced by the racetrack and its infrastructure.

Mr Syme said the net benefits of the racetrack depended largely on patronage and whether initial estimates would endure over time.

“The Canberra 400, held from 2000 to 2002, cost ACT taxpayers an estimated \$9 million and poor attendance and lack of local support led to its demise. Adelaide’s 500 race was cancelled in 2020 after years of declining attendance and rising costs.

“Newcastle’s initial claim of \$36 million in benefits was later reduced by more than half in an independent review.”

A business case for the racetrack should include annual maintenance and capital replacement costs, event attraction and any additional underwriting or support by the government. There were also environmental costs and the associated reduced community benefit. The carbon footprint of transporting teams and equipment, and of the event itself, would be substantial.

“It would be a net blight to the overall amenity of the Burswood Peninsula. However, the widespread concern by local residents and the extent if the pushback against the racetrack reflects the much bigger cost of the reduction of liveability,” Mr Syme said.

“The main issue is the very loud, intrusive noise of motor vehicle racing. It will not be possible to successfully manage the noise nuisance of the racetrack.

“The cost of the proposed racetrack to the Government directly and to the community generally is large and likely will far outweigh any ephemeral economic benefits. Its negative effects will be widespread, with direct local impacts extending to a significant increase in urban sprawl.”

The co-chair of the Save Burswood Park Alliance, Dr Robin Harvey, said the report confirmed the project should not go ahead. It also raised important questions about the lack of proper process in pursuing the project, including the Government’s failure to produce a business case and to refer the project to Infrastructure WA where it would be subject to proper scrutiny.

“John Syme’s considerable experience and credibility in this specialised economic field should cause the Government to rethink its actions in starting work on the park before fully assessing the viability of the racetrack,” Dr Harvey said.

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