



# ***TRANSPORT AND PUBLIC WORKS COMMITTEE***

**Members present:**

Mr SR King MP (Chair)  
Mr CE Boyce MP  
Mr BJ Mellish MP  
Mr JP Kelly MP

**Staff present:**

Ms D Jeffrey (Committee Secretary)  
Ms M Telford (Assistant Committee Secretary)

## **PUBLIC HEARING—INQUIRY INTO MOTOR RECREATIONAL ACTIVITIES**

### **TRANSCRIPT OF PROCEEDINGS**

**TUESDAY, 3 MARCH 2020**

**Brisbane**

## TUESDAY, 3 MARCH 2020

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### **The committee met at 12.46 pm.**

**CHAIR:** Good afternoon. I declare open this public hearing for the committee's inquiry into motor recreational activities. I thank you all for your interest and for your attendance here today. I acknowledge the traditional owners of the land on which we meet today. My name is Shane King. I am the member for Kurwongbah and chair of the committee. The other committee members here with me today are Mr Colin Boyce, the member for Callide; Mr Joe Kelly, the member for Greenslopes; and Mr Bart Mellish, the member for Aspley. Sadly, Mr Robbie Katter, the member for Traeger, and Mr Ted Sorensen, the member for Hervey Bay and the deputy chair, are absent. On Monday, 21 October 2019, the Transport and Public Works Committee resolved to inquire into and report to the Legislative Assembly on the contribution of motor recreational activities to Queensland.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. The committee will not require evidence to be given under oath, but I remind everyone that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions to witnesses, so we will take those as read. These proceedings are being recorded by Hansard and you will be provided with a copy of the transcript. To assist with clarity, please identify yourself when you first speak and speak clearly and at a reasonable pace.

The purpose of today's hearing is to assist the committee with this inquiry. Media may be present and will be subject to my direction at all times. The media rules endorsed by the committee are available from committee staff, if required. All those present today should note that it is possible that you might be filmed or photographed during these proceedings. I ask everyone present to turn mobile phones off or to silent mode. I also ask that if you take a question on notice today that you provide the information to the committee by 4 pm on Tuesday, 10 March 2020. This hearing is the second hearing the committee has held for this inquiry. Information about upcoming hearings and the inquiry is available on the committee's web page.

**ARNOLD, Mr Peter, President, Veteran Car Club of Australia (Queensland)**

**DODD, Mr John, Vice-President, Heritage Truck Association Australia**

**GRAYDON, Mr Rod, Transport and Main Roads Liaison, Queensland Historic Motoring Council Inc.**

**KITCHENER, Mr Noel, Events Coordinator, Vintage Chevrolet Association of Queensland**

**McLAREN, Mr Malcolm, Private capacity**

**ROBERTSON, Dr Christopher, Vice-President, Historic Racing Car Club (Queensland)**

**WELSH, Mr Ian, Committee Member, Historic Racing Car Club (Queensland)**

**WILLIAMS, Mr Craig, Vice-President, Vintage Chevrolet Association of Queensland**

**CHAIR:** I now welcome representatives from the Heritage Truck Association of Australia; the Veteran Car Club of Australia, Queensland branch; the Historic Racing Car Club of Queensland; the Queensland Historic Motoring Council Inc.; the Vintage Chevrolet Association of Queensland; and Mr Malcolm McLaren. Would you each like to make a brief opening statement of one or two minutes, after which committee members may have some questions for you?

**Mr Dodd:** Good afternoon. I thank the committee for the opportunity to put forward the position of the Heritage Truck Association of Australia for the committee's consideration. I acknowledge the commitment, historical knowledge and expertise of my fellow witnesses. After listening to the previous witnesses, it has come to my attention that, although we are all in the recreational motor industry, the Brisbane

manner in which we operate, our needs and requirements can be so very different. The Heritage Truck Association has the motto 'Keeping old wheels moving'. Our club is a non-competitive club that encourages participation in social and operational activities. We support other clubs at their shows, charity events, businesses, promotions and pallet sales or theme days.

I stated in my submission that, in general terms, we were satisfied with the regulations regarding the registration and operation of special interest vehicles as they currently stand. Some other witnesses have mentioned that they are in favour of a logbook system as is in operation in other states. The majority of the vehicles in our club fall into the category of heavy vehicles and we are required to operate our vehicles under the transport operations regulations. This means that we already operate a national work diary or logbook, which is a formula of allowed rest and driving periods that is enforced by the QPS and Queensland Transport inspectors. Any breach of those regulations will incur severe penalties. We operate under the same rules as all other heavy trucks on the road. Therefore, we are not in favour of introducing another logbook into our system, which would add more levels of administration, responsibility and compliance.

Also in my submission I requested that the committee recommend that the road test range be increased from 15 to 50 kilometres. I stated the reasons in my submission. I suggested how to use the existing infrastructure to achieve the committee's goals with road safety legislation and tourism. These options will require minimum maintenance on both parties once the systems have been established. I look forward to working with you to ensure positive outcomes for the recreational motor industry and the Heritage Truck Association of Australia.

**Mr Arnold:** I am the President of the Veteran Car Club of Australia, Queensland branch, and I am the immediate past president of the Association of Veteran Car Clubs of Australia. The Veteran Car Club in Queensland was established in 1956 and affiliated with the national body, the Veteran Car Club of Australia, in 1962. Through that body we are affiliated worldwide through FIVA, which is French based but is European. FIVA stands for Fédération Internationale des Véhicules Anciens or the national federation of old vehicles, if you like. It is based in Europe. It is through FIVA that we get the definition of 'veteran car' and the protocols that we use to collect, store, restore and present our vehicles.

As a veteran car club, we represent owners and custodians of self-propelled road vehicles from the dawn of motoring through to the end of the First World War. Most of our vehicles are fairly ancient in terms of the historic fleet that comes under the SIV or special interest vehicle scheme of registration, which the state government administers. After the outbreak of war in 1914, there was very little recreational motor industry in England and Europe. It was not until after the war that it picked up again. All of the technology and science that came into production during the war was utilised through the motor industry. Once you get into the vintage era, the motor car went ahead in leaps and bounds.

Of interest to this inquiry, though, is what auto clubs, our auto club in particular and the historic movement generally can do for the Queensland economy. Actually, I heard last night at our general meeting that the body representing historic motor vehicle clubs nationally, the Australian Historic Motoring Federation, has conducted a survey and estimates the value of the movement's contribution nationally to be \$3.1 billion. I do not know the details of that, but certainly it is a significant amount. I am sure you will hear more of that from other witnesses. In my submission I have listed some of the events that our club conducts annually and how we contribute to that figure overall. The fact that we prefer to use our vehicles in quiet country roads and that our organisation is truly a state based organisation with members the length and breadth of the state means that we tend to move our vehicles to rural and remote areas for the events that we run.

Last year we had our major event in September, based on Bundaberg and Bargara. The mayor there estimated that our contribution to the area for the week that we were there with 150-odd veteran vehicles was in the order of \$600,000. That did not include the funds that other organisations raised through our partnering with them during the week. Next month you will see us taking 78 of our vehicles to Charleville for a week. We will have vehicles from all over the country represented there. Charleville is looking forward to us coming, because we are actually coming the week before their tourist season starts so that we do not clash with the grey nomads and travelling public going there and spending their money. We will maximise our effect in that area. In May we have our own event, which will be around 20 to 25 cars in Crows Nest for a week. Come July we will have, again, about 20-odd vehicles going to Ayr/Home Hill, where our members up there are going to host a rally for us.

While we are a fairly small club of about 200 to 250 members, we feel that we definitely pull our weight, without even mentioning how much we spend in the restoration and maintenance of our vehicles. We do not like mentioning that, just in case our wives find out.

My final point in this summary is the disproportionate cost of state government charges when running a veteran vehicle on the road. Unfortunately, we are bundled in with the entire historic fleet, which means you have cars that are 30 years old and our cars that in excess of 100 years old. It is really not a one-shoe-fits-all result, because when we travel—and we are travelling the length and breadth of the state with our vehicles—we normally have a four-wheel drive that we tow our vehicles with. The combined mass of our trailers is usually in excess of 2½ tonne. We have the trailer and we have the veteran car. All three of those vehicles are registered for road use, yet we are only doing that so that we can take our veteran car with us. Therefore, the cost of moving to these remote or regional areas can be prohibitive for some people.

Some countries, including Great Britain, see the heritage value of their older vehicles and offer free registration to veterans. We would like to see some recognition of our vehicles along that line. I guess on the logbook system we have just heard being mentioned, really with a veteran car we do not have the ability to use our car the same as some of the more modern vehicles in the historic fleet and log books really do not help us at all.

In conclusion, in the veteran movement we believe that not only can we enjoy a harmonious relationship with the road travelling public but also we have a very real contribution to make to the wider community. When you tell people we are bringing over-100-year-old vehicles to their locality, it is greeted with some excitement. But when we get there and they see the sorts of vehicles that we have, they really appreciate the spectacle that we can create with those vehicles.

**CHAIR:** Thank you very much. Before we move on, I do note the age of your vehicles. I have the Queensland Steam and Vintage Machinery Society in my electorate. Transporting some of their vehicles is also interesting. Can we please hear from Dr Robertson or Mr Welsh?

**Dr Robertson:** Thanks very much, Mr Chairman. Briefly I will give an overview of our organisation, but firstly I would like to thank the inquiry committee, the Queensland government and the staff who organised this hearing for the opportunity to speak and for undertaking this inquiry. It has been long overdue.

A snapshot of our club is that we are a non-profit organisation with a primary objective of preserving motor racing history, with particular emphasis upon Queensland. Our current membership base fluctuates between 550 and 600 members, so we are quite a large organisation across the state—we also have a lot out of state, as well. We are proudly a Motorsport Australia affiliated club. That means that we run all of our events or most of our events and our competitive culture—undertaken within Motorsport Australia rules. We are proud to say that we have not had a death, a personal injury or a serious injury while we have functioned under those rules.

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Currently, the Historic Racing Car Club is involved in five to six major events a year which involve around about 270 competitors. We estimate our annual revenue from these events is between \$350,000 and \$400,000 a year. With that, we employ some people and we often get charities to man our gates to get ticket sales and then we can donate to the charities, so we are proudly evolving and developing quite well. Our biggest event is only second to the V8 Supercars. We are really proud of the fact that we get a large number of competitors racing their old cars. I note that this is only a brief introduction, but we have three points we would like to raise later on that emphasise our submission. Thank you very much.

**CHAIR:** Feel free to raise your three points now in your opening statement.

**Dr Robertson:** Thank you very much. When we looked at our submission, we highlighted three major points. One is the potential of historic motorsport. We have divided potential into three areas based upon urban planning concepts - social, environmental and economic. Social: luckily with historic motorsport, it is a non-drug-taking, non-contact, inclusive sport that you can compete in regardless of your age and gender. The emphasis is upon sportsmanship, competition and conceptual challenges. That does not mean we would not kill our colleagues we are racing against for an extra second a lap, but it is how we function generally as part of our rules. We see it as a good alternative to reducing hooning on roads. It is a way to take it off the roads and put it on the track in a controlled environment. It is very important. I see it as an excellent means of doing it.

The economic benefits to Queensland are self-explanatory. Tourism: we attract a large number of interstate competitors. These competitors will stay for a week or two before they go home again. It draws interstate crowds and overseas competitors as well. For the motor industry—again, it is self-explanatory—we are buying spare parts, we are getting work done, we have great direct and indirect support mechanisms and they are training younger staff to help look after vehicles. It is quite a good organisation to grow through.

The last factor of the economic benefits is that we spend our money in the local areas. For example, we often compete at Morgan Park at Warwick. We will get phone calls during the year asking when we are going to be there because we book the town out. They really enjoy that. It is good to give back to the local communities, especially those who have just come through the drought.

The final point of our potential is the environmental benefit. Most people see automobiles as a negative. When we are competing on tracks, we have a controlled environment. We do not leak fuels. We do not leak oils. We do not impact on the surrounding environs. We have acoustic limitations. The vehicles are generally quite sound, so there are quite good environmental benefits.

The second quick point relates to what we feel the Queensland government can do for us. We know you are not a bottomless money pit; that is our first point we would like to make. We would like to see a definitive community facility established for motorsport. By 'community facility', I mean a facility where people might ride bikes in the morning on it, where they might jog around it or where they might have their drone exhibitions on in the evening. It is a controlled facility that is run by those people who use it so that we are keeping our costs right down. We believe that is a very good way to go about doing it. We would also like to see the Queensland government point in a direction where we are able to go easily to, say, the Tourist Commission to get advice about how to promote events, how to bring people from overseas or how to make our event even bigger and better? While we might be defined as petrol-heads, all of us are not experts in promotion and those—

**CHAIR:** More collaboration.

**Dr Robertson:** More collaboration and easier collaboration, by all levels of government. I point to the example of the Southern Downs Regional Council with Warwick. They have hailed Warwick as the home of horsepower. This is great because when we think of horsepower, we think of cars, but in the one facility at Morgan Park which, off the top of my head, is about 300 to 400 acres, it has equestrian, polo, showjumping, a drag strip, a racing facility. It is possible to combine these community facilities together rather than having them individually scattered everywhere, meaning more expenses.

The last point I would like to make is that any advancement that we do with any motorsport facility we would like an independent and acknowledged body governing it. For us, we have gone with Motorsport Australia. They supply suitably qualified people who can scrutinise the cars. They provide safety marshals. That is where our preferences are. They give greater insurance policies which is pretty important when you are hanging upside down in your car if you happen to be unfortunate enough to do that. We believe that a body such as Motorsport Australia is essential in running excellent motorsport facilities and events. Thank you very much.

**CHAIR:** Thank you.

**Mr Graydon:** My name is Rod Graydon from the Queensland Historic Motoring Council. The Queensland Historic Motoring Council, or QHMC as it is mainly known, is the peak representative body for historic vehicles in Queensland with over 100 affiliated clubs, approximately 13,000 members and 22,000 historic vehicles. We collectively preserve, protect and showcase Australia's historic motoring history. The historic vehicles represented include cars, trucks, motorcycles and buses from the pre-1919 veteran vehicles that took Australia from the horse-and-buggy era into the motoring world and motor vehicles that we now take for granted.

The contribution to the Queensland economy by the historic motoring fraternity is substantial with financial input through motor vehicle repair, restoration and maintenance, along with tourism and charitable endeavours, as owners showcase their vehicles at static and touring displays in both metropolitan and regional areas, often bringing a much needed tourism boost to country towns and districts. An example coming up soon at Easter this year is the Leyland P76 National Rally which will be held in Stanthorpe, a town recently devastated by fire and drought. The event is held over four days with 30-plus vehicles and 60-plus people who will purchase, food, drink, accommodation, fuel and will visit tourist attractions around the Stanthorpe area including wineries et cetera. These events are often a lure for other locals and visitors to attend to view the vehicles. That in turn boosts tourism through extended stays and visits.

The social impact of historic motoring is the fostering of friendships between like-minded people who are encouraged to work together to showcase their vehicle at events and also to visit schools, colleges and aged-care homes where many aged-care residents enjoy the trip down memory lane as they reminisce their own motoring experiences.

Involvement in historic motor vehicle clubs also assists in mental health as it stimulates mind and camaraderie through being involved in group projects and helps people deal with stress and depression. There are some groups who are already tackling the issue through their own initiatives

to assist former armed services and emergency service personnel deal with post-traumatic stress disorder, but the amount of such people being diagnosed with PTSD is growing, so much more needs to be done.

As a former police officer with over 22 years' experience, I see it every day and I have also seen the benefits of involving people who are suffering PTSD; they come into this and grow along with it. As we move into the future, we must also realise the historic motoring fraternity is ageing and, as such, we must identify and introduce new initiatives, combined with proven practices to attract a younger generation to our vehicles so that the path we have taken may continue into the future.

The submissions we make today are a good start, but the actions we generate from this inquiry and other future initiatives are what really matters. It is believed that closer consultation between government, industry and the historic vehicle fraternity is needed to promote the historic vehicle movement and the educational and historical significance of these vehicles to Australia. This has the potential to stimulate employment and socio-economic benefits through the motor industry, businesses, tourism and other industry and support networks to drive Australia's motoring heritage in Queensland into the future. Thank you.

**CHAIR:** Thank you very much for that. We move onto the Vintage Chevrolet Association.

**Mr Williams:** Thank you, Chair. I thank the committee for allowing the Vintage Chevrolet Association of Queensland to address its inquiry. My name is Craig Williams, Vice-President of the Vintage Chevrolet Club. Within our written submission we highlighted two major problems we see that should be addressed in relation to the special interest vehicle registration scheme: firstly, registration stamp duty payable on the special interest vehicles and, secondly, the very high cost of Queensland annual registration of these vehicles compared to costs in other states of Australia.

Both these changes are not helping Queenslanders in retaining, importing and utilising special interest vehicles. New South Wales and Victoria recognised some years ago that stamp duty and higher registration costs were hindering the use of historic vehicles. They took an active approach to change this. Stamp duty was dropped completely and registration costs reduced considerably. At the time, a log book scheme was introduced allowing owners more liberal use of their historic vehicles. Because of these changes, vehicle owners were encouraged to resurrect vehicles from sheds and garages, resulting in thousands of new, historic and special interest vehicle registrations. This in turn created business for restorers, mechanics and all associated tradespeople to bring the vehicles to roadworthy standard. Maintaining these vehicles is ongoing and continues to inject funds into the economy.

As mentioned by the race and rally car delegates two weeks ago, race teams and associated tradespeople are heading south to the southern states. Fewer registered special interest vehicles means fewer businesses and tradespeople, resulting in fewer opportunities for young trainees and apprentices in Queensland. The owners and would-be owners of historic vehicles would like to see the Queensland charges brought in line with those of the southern states. For example, having to pay \$2,000 stamp duty on a newly restored or newly purchased historical vehicle with a value of \$50,000 is not encouraging. Over past years, we have seen many historic vehicles leave Queensland, being sold interstate and overseas where this additional cost does not apply. It is a great loss for Queensland history, as well as a loss to income to our communities.

Recently the Department of Transport and Main Roads agreed to an impromptu event scheme for special interest vehicles. This is similar to a successful scheme which has been running in Western Australia for some time. The impromptu event scheme negates the need for a log book. Our own club members find the new scheme excellent as we have it online and it takes only a minute to complete. Unfortunately, some historic vehicle clubs have been slow at acknowledging and understanding the scheme or allowing their members full access to it. We feel confident that this impromptu event scheme, in conjunction with the easing of registration and stamp duty costs, will create a positive result in historic vehicle registrations within Queensland, thus bringing benefits to the state and local communities.

Our club, like many other like-minded clubs, have a pet charity and attend charity events throughout the year and, in some cases, are the drawcard for such an event. Two such examples are the RACQ CareFlight Day and the All British Day. Hundreds of vehicles are on show at these events. The vehicle owners pay a fee to show their vehicle and the public pay a fee to view. Car clubs are proud of their charity work and the benefits to the community cannot be underestimated.

Regular car club runs also provide community benefits. Our club recently held a week-long event in the Lockyer Valley with car enthusiasts attending from New South Wales, Tasmania, South Australia, Western Australia and the USA. An estimated \$250,000 was injected into the local community during our stay. It was a great boost for the area which has been struggling for some time.

We ask that this committee lobby their government colleagues and highlight what has been achieved within the historical vehicle movement in the southern states and ask that Queensland historic vehicle owners be given a fair go in relation to the associated costs of ownership in this state. Thank you.

**CHAIR:** Thank you very much. Mr McLaren?

**Mr McLaren:** Thank you for the opportunity to speak at this inquiry. I do so as an individual and not on behalf of any club or organisation. I have been involved in several submissions before to surveys that have been conducted in clubs. I am concerned about the disparity between Queensland and other states, for example, New South Wales, in regards to the cost of the registration, benefits and conditions of comparable SIV schemes, that is, the concessional registration scheme. The taxes, for example, of stamp duty and the costs here in Queensland need urgent government attention to be more in line with other states, what we would call harmonisation.

In Queensland, when registering a SIV vehicle, we are charged a traffic improvement fee of \$57.30, the same fee also charged for a fully registered vehicle, yet it is recognised that SIV vehicles are not able to be used as frequently and as freely as a fully registered vehicle. We have a registration fee of \$92.60 at the moment, and a compulsory third party insurance fee of \$81, a total all up of \$230.90 per vehicle. In New South Wales, both the registration fee and the compulsory third party insurance total is \$66. The cost of registering a SIV vehicle in Queensland is almost four times the cost in New South Wales. In Queensland, on registering a SIV vehicle, we are charged a stamp duty between four per cent and six per cent, based on its current value, whereas in New South Wales the same vehicles are exempt from stamp duty.

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The more SIV vehicles that come onto the roads here in Queensland, the more industry and employment there will be for servicing and maintaining these vehicles. Lowering the cost of the Queensland government's fees and taxes would go a long way to help achieve a more equitable and fair comparison with other states and no doubt would encourage more heritage vehicles to be restored in Queensland. Thank you very much.

**CHAIR:** You are very welcome and you will get no argument from me. I have one SIV vehicle and another one I have to register soon. I do not know if there is a conflict there. They are both over 30 years old. I hear exactly what you are saying.

**Mr BOYCE:** Thank you for coming, gentlemen. It is good to see you here. I echo the sentiments of the chair: well done! I take my hat off to anybody who keeps the old wheels moving. Having said that, I have a general question. With regard to the various clubs and vehicles that you operate, what is your greatest priority for government assistance?

**Mr Williams:** I would suggest that to assist car buyers and car owners, especially when you go to an auction, there should not be stamp duty on those vehicles that you purchase that are going to be 30 years of age and over and registered in an SIVs scheme. A club member was looking at a vehicle down south in Victoria and it was quite costly. The total was \$150,000. That vehicle came to auction. That person knew full well he would have to spend \$9,000 on stamp duty to register the car in this state. It was valued at \$150,000 and he knew that it is worth \$150,000, but if he had to spend another \$10,000 then he was only willing to go to \$140,000. That vehicle sold for \$145,000. It did not come up here. They had a head start. That vehicle needed \$30,000 spent on it to make it what it should be. That did not happen here; it happened down south.

**Mr BOYCE:** What you are telling me is that we could standardise registration and stamp duty in all states throughout Australia.

**Mr Williams:** Correct. It should be Australia-wide. Give us a fair chance to purchase vehicles, bring them up here and get them on the road.

**Mr McLaren:** I have a colleague who six years ago purchased a 1934 Packard—a big, Clark Gable type straight eight-cylinder car. He purchased it in Florida. It was basically in pieces. I think it cost him US\$15,000. It was shipped over to San Francisco. I do not know the cost of that. It was forwarded out here to Brisbane. I was involved with bringing it back to his premises and it cost, cost, cost—I suspect all up about \$40,000 Australian dollars—to get it there. Since then it has gone up to Maryborough and it is being restored up there.

I do not know how much, but I can assure you it will cost a lot of bickies because just recently the steering wheel was sent back to the US to be recovered and redone in the proper way. A special box had to be made to put the steering wheel in to get it over there and back again. It was a beautiful job. I do not know about the cost, but I suspect that when the vehicle comes up for registration in a couple of years' time it will be worth in excess of \$200,000, probably closer to \$300,000. If he goes Brisbane

in to register that vehicle, all of a sudden he is up for—well, at \$200,000 he is up for \$12,000 stamp duty, and that is not including all the other charges that go along with it. That is the reason why I have emphasised stamp duty in my situation.

**CHAIR:** We are hearing that. Stamp duty is not something that has come up apart from in the submissions before, so we do appreciate it. I have a question about the SIVs scheme and the age, 30 years. We have heard from some that 30 is a bit much. I have no conflict here, I will just say. We have genuinely heard that, with cars not lasting as long as they used to, 30 years is a bit much and maybe it should be reduced. Does anyone have any thoughts on that? I imagine, Mr Arnold, that a 25-year-old car is not something you would be interested in.

**Mr McLaren:** I am sorry to hog in on this, but I was at the inaugural meeting interstate when this was first introduced. This was back in the early 1990s and everybody said, 'Shock! Horror! Fancy allowing vehicles up to 30 years!' That was really what the car park at the local supermarket had, and we thought that was wrong. I am a little bit sceptical. I would not use the rust or the deterioration. Plastics I would in the sun, but not metal. The point I am trying to make is that when it first came about everybody said, 'Shock! Horror!'

**Mr Graydon:** This is my second stint at QHMC and TMR liaison. I did nine years of it up until 2016, when I decided I needed a hiatus. I came back. Like a lot of people involved in the historic motoring fraternity, we do not just have one vehicle. It is addictive. Many people have multiple vehicles. Through this position with QHMC I have attended meetings with Queensland Transport for many years now. That did come up quite a few years ago, because some states were allowing vehicles 25 years and over. I actually wanted it the other way. I made a submission about stopping the rolling date because, if you have a look at the cars of today, sure enough there are going to be significant vehicles that stand out, but I also look at historic vehicles up to the late 1970s, the last of the iron bumper cars, the chrome bumpers and that before we went completely plastic. It was discussed then and they said, 'No, we want to keep it as a rolling date at 30 years, but definitely not 25.'

From a former police officer's point of view, a lot of vehicles that now come under the 30-year category were favourites of a lot of hoons and suchlike. Whilst I am now in the tyre industry, I cannot turn the old copper off. As you drive along you look at these vehicles with S plates such as Commodores and the like, the things they are doing, and that is the situation with the rolling date. The 30 years as it stands will keep picking up later vehicles. We are now up to XE Falcons and Commodores and things like that, so the 30-year date is something that has been discussed on several occasions over the last few years, and 25 years we ruled out straightaway.

**CHAIR:** This is a comment, but the argument is that vehicles of that age, the Commodores and HSVs and things like that, people respect them because they are few and far between these days because of that rolling date. Just for the record, I have a 1984 chrome bumper car, a WB Statesman.

**Mr Arnold:** I think that is a valid question to ask but it is not an easy one to answer and say, 'Yes, there should be a rolling date.' I really think that some world events are defining moments when you look at the history of the automobile, and the two world wars are two of those things. Pre-World War I you have the veteran era. They are a very different car to what happens when you come into the 1920s and 1930s up to the early 1940s with the outbreak of the Second World War. Then you have a similar thing happening, and that war impacted America as much as Europe. There was a lot less production. When you come back after the Second World War, again there is an acceleration in the development of the automobile and the cars that we find on the road post that era.

We in the veteran movement call them modern, but they are nonetheless historic vehicles and need to be preserved and looked on as such. I think that, if we are going to look at what the government can do to help us, we really do need a different set of rules for each of those different eras. I do not think you would get any objection from people like us in the veteran era if we said you treat us different to what you treat a 1960s car, because they do have the ability.

The other thing that goes with that is what we are finding these days is a lot of these cars do not bear any resemblance to the way they came out of the factory. FIVA, as I mentioned before, is the body we look to on the world scene that dictates how we should be restoring and preserving these old vehicles. What we see happening with some of these is not in keeping with the protocols they would represent. What we call an historic vehicle sometimes, we would argue, is more of a hot rod than actually a restored historic vehicle.

**CHAIR:** I was going to say that. Sadly, time has beat us. I will have to cut down on my opening statement. I am sorry about that. I really do appreciate everyone coming along and helping to add to our submissions. Thank you very much for your time here today.



**GRIFFITHS, Mr Rhys, Motorcycle Manager, Federal Chamber of Automotive Industries, via videoconference**

**YATES, Ms Lesley, Director, Government Relations and Advocacy, Australian Automotive Aftermarket Association**

**YOUNG, Mr Douglas, Chair, Australian Historic Vehicle Interest Group**

**CHAIR:** I welcome members of the Australian Automotive Aftermarket Association, the Federal Chamber of Automotive Industries and the Australian Historic Vehicle Interest Group. We might kick off with the aftermarket association, if we could, with a brief opening statement.

**Ms Yates:** Thank you, Chair. The aftermarket association represents the product manufacturers, the product suppliers, the distributors, the retailers and the fitters of automotive products—effectively, all of the automotive products that go onto the vehicle after it is sold, hence the aftermarket. Our channel to market are consumers who are looking to accessorise their vehicle and to make the vehicle fit for purpose and we also include the major retailers, so all of the 4x4 retail outlets, large retailers such as Supercheap Auto, Autobarn, the major manufacturers of automotive components, including East Coast Bullbars, TUFF bull bars, the canopies that go on the back of dual cab utes and four-wheel drives, so companies like TJM. It is an end-to-end supply chain. You all have a copy of our submission so I will just highlight a couple of issues that are important to us.

I think one of the most important ones is that this is a growing industry and Queensland now has more automotive manufacturing than South Australia. This is largely due to exposure to four-wheel drive recreational vehicles and performance vehicles. So, 86 per cent of manufacturing is now for four-wheel drive specific products and 56 per cent for performance vehicles. Our members are very optimistic because they are indeed growing. We have a great reputation internationally and it kind of makes sense, doesn't it, that you would buy aftermarket products that were designed, developed and product tested in Australia because of our rugged conditions. Our brand names are highly sought after, particularly in Asian markets, and our largest growth market at the moment is the United States. Our exports are growing: 70 per cent of members are exporting and 83 per cent of them expect that to grow. More importantly, 93 per cent of our manufacturers expect their turnover to grow. I wanted to give you a sense of a very optimistic, growth orientated industry. We do still manufacture automotive components in Australia, we are just doing it for a different market than the original equipment manufacturers.

The barriers that our members talk to us about in terms of economic growth are access to skilled labour. We are effectively adding products onto the vehicle—towbars, roof racks—so accessory fitment is a skill in its own right and some certification of that activity would be useful, particularly now that, with the technology improvements on vehicles, we need to make sure that all of our products are compatible with advanced driver assistance systems such as lane departure warning, collision avoidance, all of the sensors on the vehicle, and we need to ensure the integrity of that vehicle and that our components work well. It is a skill and access to skilled labour is preventing our continued growth.

In-service vehicle regulations are an issue for everyone in the Australian automotive aftermarket and this is largely due to lack of harmonisation between states. Here I am talking about the regulations that specify how high you can lift a vehicle, particularly important with four-wheel drivers. Most four-wheel drive enthusiasts will lift the vehicle.

**CHAIR:** We got a submission from them exactly along those lines.

**Ms Yates:** Which is why we are the world leaders in suspension components. Those regulations vary and I am sure many of you would be aware in 2018 we had a major issue, particularly in Queensland because the regulations in Queensland and New South Wales were at variance and many drivers who cross state boundaries were concerned about that. I am pleased to inform the committee that over the past two years we have enjoyed a much more consultative relationship with Queensland Transport.

We are the ones who design and develop these products and we have the product engineers. We like a collaborative approach where we can sit opposite the engineers. We think we are part of the solution, not part of the problem. We also want to see safe vehicles on the road. We are also interested in ensuring that modifications do not render a vehicle unsafe. In the past two years we have seen a different relationship and I think that has been highly beneficial. In fact, some of the suspension and gross vehicle mass upgrade regulations in Queensland are now some of the best in the country. So good news on that front.

We also have some issues in relation to the manufacturing industry because there is sometimes verbal advice given to consumers that you cannot fit an aftermarket bull bar, it may affect your warranty. Of course, any fitment of a product will affect your warranty if it is that product that caused the problem, but we want to ensure that you are still able to produce Australian made product and fit that onto your vehicle with the absolute reassurance that that warranty is covered by the Australian manufacturer. If the product does damage or is faulty the Australian producer will replace that. Those three issues are probably affecting our industry but, as I said, I wanted to leave you with a sense that this is a trade exposed, growing industry that is really very optimistic about our future.

**CHAIR:** Thank you. Before I move on, a bit of tidying up that I forgot to do before. I seek leave to table this document that was handed in before? Leave is granted. We will go next to Mr Young.

**Mr Young:** I am delighted that you have included us in business interests but we are actually a voluntary group of enthusiasts. However, the points we wish to make relate to not only the old cars, but also the economic benefits that can come from them coming to Queensland. Firstly, can I say we are delighted that government is paying attention because we have often felt a bit in the wilderness. I, along with Rod Graydon, am one of the two people who go to the TMR meetings. I just thought it might help if I gave you a couple of numbers on the 30-year old vehicles in Queensland because I have just done some research on that and got them from Transport. There are 33,000 vehicles on the historic rego, or SIVCS, in Queensland and there are 333,417 vehicles over 30 years old registered in Queensland which includes the SIVCS vehicles. That just gives you a feel for the number of vehicles we are talking about with 30 years or more on the road.

What we are looking at is things that stop old cars coming to Queensland because every new car, with its seven-year warranty—you only get a seven-year warranty because you know there is not going to be any work for mechanics. Old cars, they need money spent on them from the moment they arrive. The stamp duty issue is a really big one. I know of someone who has two cars that they bought in South Australia that they have kept down there because they were not prepared to stump up 50 grand in stamp duty. With that you can pay for a lot of storage. They have also had about that much money spent on them in southern states because they just weren't prepared to pay that money to bring them to Queensland. I heard the other submissions about stamp duty. We just want to reiterate how it is locking Queenslanders out of jobs.

I take it you have read all the submissions and you have probably got a bit lost in some of them, but attached to our submission were two letters from Wolf Grodd, who you may or may not know. He is the proprietor of Sleeping Beauties, a car restoration business, who has won a number of awards at Pebble Beach for his restorations. His particular gripe and our ours, and, in fact, the Historical Vehicle Interest Group was founded with a view to getting rid of it, is the luxury car tax being imposed on historic cars. It was only meant to protect Australia's new car manufacturing industry and it existed in one form or another from the seventies.

When the GST came in in 2000, by sleight of hand in Treasury - it was never explained in the second reading speech or anything - it was also made to apply to the import of second-hand cars of any age. Whereas previously you could bring an old car in for nothing, and since the seventies there has been an exemption from customs duty nationally, five per cent on everything currently but more than 30-year old zero customs duty, but what is the point of that if you are then getting hit with 40 per cent combined luxury car tax and so on.

The problem with the luxury car tax from Queensland's perspective is it is such an effective block on importation. The Commonwealth gets no money out of it, but you are also not getting your GST because as you know the luxury car tax goes to federal coffers, GST goes to state coffers and so for that reason we are seeking to enlist a bit of Queensland support in our push to get the luxury car tax removed from the importation of historic cars because if you look at the letters from Wolf Grodd one car alone would have given four people a job for three years that his business would have expanded to employ. All the cars in his 2017 letter would have employed 16 people for four years. That is new jobs that would have been created and they are not coming. We went and saw Mr Perrett, who is the local member who has Wolf's restoration facility in his electorate, two weeks ago to highlight this sort of issue with him.

The other thing that is stopping old cars coming to Queensland and Australia is the way the Commonwealth is enforcing the asbestos ban. You are probably aware—you may not be aware—Australia has, since 2016, adopted a draconian approach to the importation of historic vehicles that contain asbestos. Border Force are asserting that old cars are dangerous to everybody because they have got asbestos in them. There are 4.2 million cars on the road that were made before the 2003 ban on asbestos. No-one is worried in the slightest about the asbestos in those cars.

I have mentioned the entities in my submission, but that includes the Asbestos Safety and Eradication Agency and Safe Work Australia, and they all agree that provided you follow the appropriate methods, which you can do in a home garage, for working on old cars it represents no risk to you. Border Force are demonising the old cars, they are not coming into Australia now because of this forensic search for asbestos in old cars, because, as it is well known, asbestos is only a risk if it is in respirable form and can be breathed in and, of course, it cannot when it is in an old car.

They are the three things that we feel are stopping cars coming to Queensland, two of them stopping cars coming into Australia and Queensland getting its share and the third one being the stamp duty issue.

**CHAIR:** We will now go to teleconference and Mr Griffiths.

**Mr Griffiths:** Thank you very much. I am the national motorcycle manager for the Federal Chamber of Automotive Industries based down here in Melbourne. We as an organisation look after the manufacturers/importers of new motor vehicles and motorcycles into the country. My particular remit is directly to do with the motorcycle industry. That is an industry that is probably in a little bit of trouble at the moment, although having said that, there are some positive aspects. Let me just go through a couple of the aspects from the manufacturer's side and then we will look at it from a rider's side.

At the moment sales numbers of new motorcycles in Australia have diminished just on 25 per cent since 2016. That is one quarter less new motorcycles sold at the end of 2019 versus what we were selling in 2016. We had very good growth through the noughties up to the GFC. We had a dramatic drop after the GFC. We slowly recovered up to 2016 and now the industry has suffered quite significant new motorcycle sales to the tune of 25 per cent.

The flow-on effect from that is directly felt by the motorcycle dealership network. The problem being at the moment that whatever new product is sold there is actually less margin in that product. There are less recreational motorcycles, there is less disposable income and so therefore the general wealth of the industry has actually decreased quite significantly. The upside of the motorcycle market at the moment is the second-hand motorcycle market whereby there are approximately three second-hand motorcycle registration transfers for every new bike sold, so the dealers are doing well in that regard and motorcycles are still out there in the community.

Just to give you a brief understanding, there are around about 870,000 registered motorcycles in Australia. Queensland is home to approximately 24 per cent of those, although Queensland's population is around about 20 per cent of Australia's population. So, Queensland, I guess climate wise, is particularly predisposed to motorcycles and motorcycling and that is reflected in those numbers. There are around about 210,000 registered motorcycles in Queensland, so not a huge amount but certainly a significant amount.

The other perspective I would like you to take into consideration are the riders themselves. The licensing processes right across the country have been improved, and by improved I mean there are more stringent testing requirements which from a safety perspective is very, very good. We hope to have better trained and therefore safer riders on the road. The downside of that is that it normally ends up costing more money to get a licence and there are more restrictions on those who do get their licence. For example, to go from absolutely zero to a full motorcycle licence in Victoria now costs about \$1,000. There is no government subsidy whatsoever. In comparison, in New South Wales a motorcycle licence only costs a few hundred dollars, whereas Queensland lands somewhere in the middle. That is what we consider to be a barrier to entry.

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From a rider's perspective, there is also the safety considerations of the on-road and off-road riding. We see that governments all around the country are looking at ways that they can reduce motorcycle and on-road fatalities and accidents. One of the greatest impediments to safe riding is still distracted drivers, and the mobile telephone is the major culprit in those. We believe that the new vehicles coming on to the road, many of them with electronic wizardry that allows you to talk on your phone through the car's audio system, and cameras, radars and detectors will lead to an improvement in overall road safety. Probably one group that will benefit the most from that will be the vulnerable road users which, of course, includes motorcyclists.

The one other aspect to our industry are the farm and off-road motorcycles and, in particular, the four-wheel off-road farm bikes, commonly referred to as quad bikes. You may or may not be aware of the recent decision taken by the ACCC and therefore the minister to insist on the fitment of a rollover protective device to these vehicles. Our members and the manufacturers have long argued that that device is inappropriate and, at best, will save as many lives as it harms. The result of that is that our manufacturers will withdraw this product from the market. They will not have the roll bars

fitted to them and, as a result, again an industry that is already struggling, particularly in rural and regional areas, will suffer even more as a result of the dealers not being able to retail the quad bikes to farmers. The other component of that is that farmers and people who use quad bikes may well be moved on to an inappropriate product such as a side-by-side vehicle. The committee has my submission. There are many other aspects to it but, for the time being, that will do; thank you.

**CHAIR:** Thank you very much for that. We will now go to questions. I have a quick question for the Aftermarket Association that is probably a little off the topic to the terms of reference. Sadly, in this post- Holden era, is there any more hope for your industry in terms of manufacturing parts for a car that will not be manufactured anymore?

**Ms Yates:** We will still produce replacement parts for the Holden, many of which were already designed and developed in this country. We also are able to service, repair and provide accessories for Holdens more than any other brand on the road, because unlike many of the other manufacturers Holden made information about the vehicle available to independent repairers and vehicle modifiers through its American site. We are able to plug a Holden in and access a site all populated with Australian vehicles and understand how that vehicle is operating. We will still be making components for that vehicle.

**CHAIR:** Good. Rumours abound, obviously, that you will not be able to get parts for this and that.

**Ms Yates:** You will still love your Holdens for years to come.

**CHAIR:** I have always been accused of being off; I have both types. That is not because I am a politician and go each way; it is just because I really like all off cars. Anyway, it is not about me.

**Mr BOYCE:** There are many groups in Australia and around the world that advocate for the demise of the internal combustion engine. Can you comment on how that might affect the motor vehicle industry?

**Ms Yates:** We are responsible for assisting our industry to transition to whatever new technologies will be available on the vehicle. We do not think there will be a one size fits all. We suspect that ICE vehicles will be on our roads for many years to come. It is a similar story with driverless vehicles and levels of autonomy, especially in relation to recreational vehicles. We do have a company in Melbourne that is retrofitting LandCruisers with electric motors, but we think that the automotive industry will always be driven by responding to consumer preferences. As we know, it is a broad church. We will still see ICEs on our roads for years to come.

There will be increased take-up of electric vehicles, but our data is that it is a slower ramp up than many in the media would say and that it is likely to be a particularly urban fleet and particularly useful in closed environments, in smaller, well-planned newer environments with safer or newer road systems designed for electric vehicles. We do expect the take-up to occur, but slower than many in the media would say.

**Mr Young:** Can I just say that those in the old car world shed a tear when Prince Harry and Meghan got married in an electric-powered E-Type.

**CHAIR:** This committee has also another self-referred inquiry into transport technology and has travelled around. We have heard that particularly with unmanned vehicles we probably will see flight in those terms before cars on the road, because of the nature of the country that we live in. That is what we have heard so far.

**Mr Griffiths:** Can I respond from the motorcycle perspective? I agree wholeheartedly with Ms Yates that ICE engines will be around in motorcycles for quite some time to come. The push for electric product from the two-wheeled perspective is right at the very bottom end of the market—the pushbike market, the off-road mountain bike market and the like. Small electric scooters are gaining quite a lot of popularity, but again I agree with the assertion that it will be mainly inner urban, last kilometre and last two kilometres transport.

**Mr Young:** If I can just make a closing comment on that. From the old car world perspective, it is really important that they continue to be used to some extent, because there is a whole heap of skills that will be lost if we cannot use our cars. Elsewhere in the world where the old car movement really does have the ear of government at the highest level, such as in the UK, there is a whole heap of new apprenticeship programs training people to work on these old cars, because it is worth £5.5 billion to the UK economy.

**CHAIR:** In a previous committee in the last parliament in terms of ethanol fuels we heard of a big concern from motoring enthusiasts and the aviation industry that mineral fuels always be available. Premium fuels will always be mineral fuels for that reason, because of the different quality of fuels. Some of the old cars do not use the other fuels we use as well.

**Mr Young:** A friend of mine in South Australia has a Bugatti that he has registered as an aeroplane with a VH number so he can get Avgas for it.

**CHAIR:** In a different state of course!

**Mr Young:** Yes, a different state.

**CHAIR:** I could talk to you offline about some things like that.

**Mr KELLY:** I am interested in the emails to which you referred from Mr Grodd. Other than the luxury vehicle tax, is there anything else that the government could be doing to support manufacturing, particularly in this area that he is referring to? I notice he has talked about the capacity constraints around skills and voiding those skills.

**Mr Young:** Those in the old car world lament the passing of the factory. You used to be able to go to TAFE and learn how to use a lathe and weld and so on. That has all gone. It has privatised into expensive courses that no-one wants to do. We need an open ear to the types of skills that people like Wolf need in their business. Wolf is about to retire, passing the business on to a fella that works for him. But you need younger people coming through with the skills to do that sort of work. If you could get rid of the luxury car tax, lower your stamp duty and get more vehicles here, there would be more cars to be worked on. The demand would result in the skills either being imported or taught. It is important to have an open mind about responding to the need for old skills being learnt by new people.

**CHAIR:** I have a good friend who is a panel beater. He loves restorations, but they are getting few and far between. Insurance work is how he gets his bread and butter. He says it is about just getting it looking good and get it out. It is not the quality of work he would rather be doing.

**Mr Young:** It does not cost much to make plastic look good, does it?

**CHAIR:** No. It is a different set of skills.

**Mr MELLISH:** My question is to Ms Yates. I suppose 20 years ago people would come in in their Commodore or Falcon and get the car lowered. Now they bring in the Hilux and the Ford Ranger and get it lifted. It seems pretty bizarre to me that these are the same cars in every state and yet we have a different set of rules in each state. Our committee has gone through a process with heavy vehicles where it has been standardised across Australia. It can be difficult at times but, at the end of the day, it is a great process to have one sets of rules across the country. Do you see this as something that all levels of government, particularly the federal government, should really take on as a standard set of rules that would make it much easier for your members?

**Ms Yates:** The standard set of rules gives our manufacturers some economies of scale. If we are producing components for similar regulatory conditions, we can use the Australian market to get good economies of scale which helps us to export product. We are never really going to compete on price but we are competing on quality. Price is always an issue. The federal government has been particularly unwilling to play a leadership role in regulation in vehicle standards, because it is not its area. It is responsible for the vehicles coming in for their first delivery to the market. It is up to the states to get that together.

You are absolutely right in your assessment that about 20 years ago we were lowering them and now we are raising them. Vehicle lift is certainly a huge issue in terms of the lack of standardisation. The states are taking a bit more initiative for that, though. Recently, we saw meetings of Queensland, New South Wales and Victoria to talk about some standardised evidence packs for gross vehicle mass upgrades. As soon as you are a tradie or a recreational driver, you want to put more weight in the vehicle. We will have to augment the ability for that vehicle to carry weight. What evidence that regulators require before they do a GVM re-rating is ridiculous in terms of the differences from states, but the eastern seaboard has recently met and agreed on a cooperative process. This could be a bit of a landmark. If this is achieved, it will show that we may indeed get peace in our time.

**CHAIR:** The heavy vehicle national law to which my colleague referred does exclude Western Australia and Northern Territory, but we are working on that. We have run out of time. I thank you all very much, particularly sitting there patiently on the teleconference, for your time and contribution this afternoon.

**AROCCA, Mr Eugene, Chief Executive Officer, Motorsport Australia (formerly Confederation of Australian Motor Sport)**

**CHAIR:** I now call Mr Eugene Arocca from Motorsport Australia. Welcome. If you have a brief opening statement, we would love to hear it.

**Mr Arocca:** I thank the committee very much for giving me and Motorsport Australia the opportunity to address the committee. For those who do not know what Motorsport Australia does, we were the Confederation of Australian Motor Sport for some 60-odd years, but on 1 January we changed our name to Motorsport Australia. In broad terms, we are the only internationally recognised national sporting body for four-wheeled motor sport in Australia. We regulate, promote, develop and ensure, as best we can to make the sport safe and fair. For the committee to give us the opportunity to address a number of issues, we are very grateful.

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You have the submission—and it is lengthy—but there are six topics that I wanted to touch on in the opening and then obviously I will be happy to take questions. The topics are: participation, economic impact, safety, integrity, Queensland and motorsport, and the general challenges facing motorsport, not only in Queensland but around the country. The good news first: participation is at record levels. In Motorsport Australia's own metrics we have experienced 40 per cent growth since 2013. We have 27,500 thousand licensed competitors. This ignores the fact that there are competitors under other banners, but we have 27,500 licensed competitors and we have over 3,000 events that we monitor and sanction per annum. We have over 600 affiliated car clubs and there are many, many hundreds of others that are not under our auspices, predominantly enthusiast clubs. We have over 11,000 officials—one of the biggest volunteer official bodies in this country.

Per capita, there is no doubt that motorsport and cars are in our DNA. I do not think there is another ASN or an international equivalent to CAMS or Motorsport Australia, and I will flick between the two because it is a matter of practice and a matter of memory. There is no other country in the world that has our per capita engagement in motorsport. If we take the UK, which claim to be the home of motorsport, they have about 31,000 licensed competitors. They have a population of over 80 million compared to our population of 26 million and having 27,500 thousand members. I know we do not compare well to the ball sports that have hundreds and thousands of competitors but, when you consider us on the world stage, anyone who argues that it is not in our DNA does not understand motorsport and does not understand Australia.

In Queensland you have the stats: there are 3,000 competitors, 2,000 officials, 500 events and 105 clubs, predominantly sporting clubs. Twenty per cent of Australia is represented through Queensland in terms of motorsport engagement. The two big states, Victoria and New South Wales, pretty much make up 50 per cent of the engagement, with the balance of the states making up the other 30 per cent, with South Australia our equal third or possibly fourth biggest state in terms of motorsport engagement. Nationally, we have over 150,000 participants, and that is at a guess. We think there are far more than that. I should also mention ANDRA, the dragway authority. They have 1,300 license holders in addition to ours, 141 officials and 34 events. On top of that there is karting that has over 7,000 license holders. They are our junior Auskick, if you want to call it that, in terms of motorsport.

In terms of what is holding back more participation, we would get to 30,000 licensed competitors if we had more venues. The one single thing that is prohibiting the growth of the sport to record levels year on year is more venues. As you would imagine, with urban sprawl catching up, venues are becoming more challenging. That is the good news—that is, participation. We are literally holding back people from getting more involved in the sport.

Turning to economic impact, which is the second point which again follows, it is significant in this country. In 2013 we commissioned a report from Ernst & Young which showed that the direct industry and value added impact of motorsport in Australia was \$4 billion per annum and in Queensland alone \$750 million. It employed 16,000 people back then and in Queensland over 3,296. That was six or seven years ago—2013 figures—and we know that we have grown our own numbers by 40 per cent. We commissioned Deloittes, an alternative to EY so that we could get a broader spectrum of measurement, to prepare a report by way of update and they are expected to provide their report in 2020 towards the middle of the year. I suspect we will crack the \$5 billion or \$6 billion mark in terms of direct industry and value added impact per annum.

As I said, the one thing that is holding us back to a large degree is more venues. In the last 20-odd years there has only been one venue built in this country—Tailem Bend, a \$120 million development by a private family. The good news in Queensland is that there is an auto mall being constructed or expected to be constructed near the airport and that will be a world first. It will be a Brisbane

performance track registered and recognised by the FIA and Motorsport Australia. I think that is going to be a real legacy and a game changer in motorsport around the world because more and more people want to just simply go for a one-hour drive on a track rather than necessarily give up a whole weekend. There is a changing demographic. The BNE Auto Mall, which is being built by the Brisbane Airport Corporation, is going to be probably the future of motorsport other than the very big events. It is a great story in terms of economic driver.

Fifty per cent of your participants live in regions—more than any other state in the country—and it goes without saying that economically we have a bigger impact in the regions than many other sports do because, invariably, we go to a place for three days. It is often four or five days. We do not go for a two-hour match or a footy game; we go for a weekend of racing and one car generally involves five or six people from driver to co-driver, mechanic, friend, food maker. It is a very familial sport. If you look to the 27,500 members we have, there would probably be only 50 to 100 professional drivers. The other 27,400 are amateurs, and extremely passionate amateurs.

The third point is motorsport safety and for us the key elements of the sport in terms of safety are that it is almost like a closed loop. You have your venues, which you need to licence to make sure they are safe. You have particular sanctioning of events that meet the particular peculiarities of a certain discipline, and we have many disciplines in our sport. With regard to competitor licensing, it is important that you do not let people on tracks who do not have the requisite skills to participate at certain levels. With regard to officials, they are critical—everyone from flaggies to scrutineers to the judicial system. Without them the sport would not operate. We just came out of a national awards night on Saturday night and every award winner made mention of the officials and the fantastic work that they do.

Finally, there is insurance cover. I think people need to be sure and safe that in participating in a sport that is inherently dangerous, to some degree, you have some added protection by way of insurance for the occupier of the land, the various participants and the officials and the volunteers. Motorsport Australia considers that to be a closed loop of safety and if you take out one of those components inevitably the loop gets a bit weaker. It is like a chain link. If you take out officials, then the sport suffers. If you do not properly licence competitors, then that has a flow-on impact. When making sure that the venues are safe, you have to think about the officials and the spectators. I often speak to many people involved in motorsport and they say, 'How dare you try to regulate what I want to do. If I don't want to wear a helmet, it's my bad luck.' It does not quite work like that because there are other people impacted by a serious incident on a track.

In our opinion, a true sanctioning body opinion provides all of those elements. You cannot just be an insurer or provide a venue; you need to provide a holistic approach to motorsport safety. For that reason, it is no accident that Motorsport Australia is recognised as one of the best in the world. We have been invited and paid for by the Vietnamese to help them with their first grand prix. We have been in Korea, Singapore, Russia and Bahrain. We are on the ground providing grassroots training for countries as diverse as Nepal and Thailand. We are out there in the world and recognised. The F1 race director is an Australian, Michael Masi. Last weekend we awarded the Australian official of the year to a chap called Paul Overell from Queensland. There are Queenslanders who are currently being identified by the FIA as future stewards for motorsport at the highest level.

In 2019 one of our officials was recognised as an FIA official of the year—a chap called Rob Thiry from South Australia. We are particularly proud of that infrastructure that supports the volunteers and provides a pathway all the way up to the top. In my view, underpinning that all is venue licensing. It is a bit like having cars on roads without proper road safety. You can sanitise the cars, you can put roll bars into them and you can make them safer by putting airbags into them, but if the roads upon which they travel are not safe then invariably you are running the risk that there will be incidents and consequences. Whilst there is that closed loop, at the head of the loop is venue licensing. We do that around the country and we consider that to be probably our most important role, other than making sure that the officials do their job properly.

The fourth point is integrity in sport. Drugs obviously are a big issue in the community, both illicit and performance enhancing. We do not find performance enhancing to be a real issue in motorsport. There is more a risk of illicit drugs. We are the only body in the country that is recognised by ASADA and therefore WADA to administer the appropriate tests and be able to bring penalties down on those who seek to use illicit drugs in particular or performance enhancing drugs. The irony of course is that a person who has been penalised by Motorsport Australia for such an offence can wander down the road and compete in another event under another banner with another provider and not be penalised and not be restricted. We can only control the people within our remit, not those who act outside our remit.

With regard to alcohol, we conduct more than 10,000 tests a year. Again, that is not a major problem but in any given year we will pick up 10 to 15 transgressors who have had more than enough alcohol in their system when they hit the track. Again, that is an important role. We are the only body that is recognised to manage competition fixing in motorsport. We are recognised by the National Integrity of Sport Unit. We have arrangements with all of the major betting bodies, so we do the sorts of things which you would expect any major national sporting body would do.

Importantly, we are also responsible for working with children checks and balances. In Victoria those requirements have been made mandatory and we acted pretty promptly in ensuring that most of our officials in Victoria—some 6,000—were able to meet the requirements. I expect that around the country working with children checks in sport will almost certainly become mandatory. No other four wheeled motorsport body in this country has all of those responsibilities and recognition. As I said, other than the closed loop around motorsport safety, integrity is really important in every sport. In every sport integrity, fairness and safety are critical.

With regard to Queensland, in two words you are at risk. Without overdramatising it—I might be accused of that—if Queensland motorsport was a factory you would have been shut down. There have been more deaths in this state than any other state over the last six years. For a state that represents 20 per cent of motorsport, you have 80 per cent of the deaths in circuit racing. In the last five or six years you have had more deaths in Queensland than in Victoria and New South Wales combined. It behoves me to mention that it is an issue that Queensland Raceway—your premier track closest to the capital city—has seen fit to step away from. Motorsport Australia as the licensing body. It is the only major track in any of the capital cities that has consciously decided not to have a Motorsport Australia track licence in place, which provides world's best practice standards around barriers and run-offs and fencing. It is no accident therefore that neither Supercars nor the Shannons Nationals, which is just below the Supercars level of events, are not competing at Queensland Raceway in 2020. That is a significant penalty to this state for not having the necessary requirements.

I do not believe, as has been claimed by others, that motorsport safety is between the ears. The best drivers in the world in F1 and World Rally Championships make mistakes. The best drivers in the world have mechanical problems. The best drivers in the world hit barriers and catch fencing. From our point of view, it belies the very history of motorsport safety, going back to the sixties that to leave it to the drivers is probably the last thing you want to do. We would not have a road toll if we were able to take it away from the drivers. There is a thing in motorsport that I was not aware of before I became CEO called the red mist. It is a bit like white line fever, inevitably people without the necessary experience in perhaps the wrong car can overestimate their skills and the result is that there are incidents that happen that can have significant consequences to family and friends.

From our point of view, it is more than just the drivers, it is the vehicles. We scrutineer, both targeted and at events, vehicles to make sure that they meet a minimum standard for safety reasons, because, as I said, vehicles can have things go wrong. Venues need barriers and fences not only to protect the drivers but officials and spectators. Drivers need personal protection gear, frontal head restraints and helmets. If you look at some of the old footage from the fifties, sixties, seventies and eighties it bears no resemblance to what you see today. From our point of view Motorsport Australia believes that safety, or potentially the lack of it in this state, is an issue. I have concerns about the sustainability of the sport in this state if the major track has chosen not to affiliate or stay within the remit of both the world recognised standards and the Australian standards.

I should make passing comment about the drags. I know my friend Brett Stevens, who is the CEO of ANDRA, may or may not be attending—certainly not today—or may or may not be called.

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**CHAIR:** He recently approached us, I think, to put in a submission.

**Mr Arocca:** In broad terms, putting aside the QR and Lakeside issue, there were three venues doing drag races that are no longer under the Australian National Drag Racing Association, ANDRA. Predominantly, that has been driven by a coronial inquest in Melbourne where findings were made about barriers. As I understand it, those venues in Queensland have decided not to implement the recommendations, for cost reasons. The result is that ANDRA can no longer licence those venues. They are still putting on drag races and they are still having activities, but it is outside the umbrella of the accepted standard set by a coronial inquest in Victoria.

From Motorsport Australia's point of view, we always seek to learn. Underlying what I do is a risk committee. It is probably one of the very few in the world in motorsport. We assess, we review and we analyse. We have a world body that provides us with safety data and information that is fed down. However, in broad terms, if a track chooses not to be within our world, we cannot investigate, we do not get the facts and we do not even know that incidents happen, whereas we have a database



that extends across the country and captures information about venues, incidents and accidents that we can then act on. From our point of view, it is an issue that this government, I would hope, will take some time to understand and work with Motorsport Australia to ensure that we do not have fatalities that could be avoidable. There are parts of our submission that have been redacted from the public's view. I know that they are matters that all of the members of the committee would hopefully read and understand.

Outside of that, the sixth point is the challenges. Like every sport, there is growing demand for sport today and now on my phone and on TV. Back in the day, when I was growing up, it was footy on a Saturday in winter. There would be motorsport on a Sunday. There were times when there were 50,000 or 60,000 people sitting on a hill out at Sandown. There is sport on demand everywhere. It is growing and getting more and more intrusive, and more and more kids are choosing not to go to tracks. That is a risk for us. I think we are seeing a generational change. Motorsport has benefitted in the sixties and seventies from the Brocks, the Moffatts and the Brabhams, who really fuelled our love of motorsport. There was a generation of women and men who were welded to it. Sadly, the next generation do not seem to have the same engagement or passion. Again, an official sitting at a track for 12 hours on a Friday, a Saturday and a Sunday is just something that is not likely to be repeated by the newer generation, unless we can find ways to make motorsport interesting.

I have mentioned safety as a concern. Many clubs come to us and seek assistance in applying for funding. They cannot even scratch up \$5,000. Often it is heartbreaking to see millions of dollars being devoted to other sports, although rightly so. But when a volunteer club that is able to fill a town 400 kilometres out of Brisbane with 3,000 or 4,000 people for a weekend cannot get \$10,000 out of a government department, it is a little bit disheartening. Certainly we would encourage government to understand the real economic impact of motorsport in those communities. There are communities that come to life for a weekend because 30 hot rods turn up or because 53 off-roaders go and have a bang around in the bush. That is a really important part of the sport, in this state in particular, so if the government was prepared to allocate some money.

I know Queensland does devote some money to motorsport, but it is more around the development of juniors and women. Most of the other states at the moment are starting to get the economic power of motorsport. In both New South Wales and Victoria we have collected more than \$12 million in funding for programs and a centre of excellence in New South Wales. I think the Ernst & Young report has really resonated with government. Certainly it has helped them to understand how important motorsport is. It is in our DNA. We are still going to be racing cars in 30 years time, even with all the electric cars whizzing around. It is still one of those sports that captures the imagination of a country.

**CHAIR:** You have touched on this and I assume you meant that the report would give us more about the return on investment to governments that do invest, and the Ernst & Young and Deloitte reports really highlight that.

**Mr Arocca:** We sent the Ernst & Young reports to all the governments when they were released. Certainly we intend to release the Deloitte report and give it to every sports minister, treasurer and premier in every state, because we are hopeful that will continue to bear out the significance economically of motorsport. We are very confident that will be the case. It will be an eye-opener. I know Lesley is here. Back in 2013-14 when we were looking at our figures, we were looking at about \$11 billion of economic activity driven out of the auto aftermarket. They are our cousins. We work hand in hand, because of the realities of car parts and cars.

**CHAIR:** You mentioned Brisbane Airport Corporation's BNE Auto Mall. Would you care to comment on all levels of government working together? I know from my particular area with the peninsula rail line and a university that when all levels of government pitch in we get a great result. Generally the council has the land, the state does sport and the federal government seems to have the money. Do you have any comment on all levels of government working together, if the will is there?

**Mr Arocca:** It is inevitable. One of the great things about sport, and you learn this from being in sport, is that unity is winning. If you get everyone singing from the same hymn sheet—from local government, local communities, local clubs, the state government and the federal government—you can really mount a powerful argument about investing in a sport where everyone gets a benefit.

Quite frankly, we were blown away by what we have seen with the BNE Auto Mall. It is a \$190 million investment that will make that particular area of Queensland an epicentre for the Asia-Pacific area. I know we are going through a bit of a hard time with the Asia-Pacific area at the moment with the virus, but we will get over that. In China, they sell 25 million cars a year. We sell

one million in Australia. What they want is the safety and the quality of the expertise they get in this country. They import us to go there and help them. The possibility of bringing their own cars to Australia or racing in Australia in a safe environment or testing their cars here is an absolute no-brainer.

We expect that the BNE Auto Mall will be the first recognised test track by the FIA in that sort of environment. The FIA is our mothership internationally. I suspect that a number of state governments might rue that they missed the boat. This is not a state government investment; this is primarily out of the Brisbane Airport Corporation. That tells you a story, when private industry wants motorsport, as with the other chap down in South Australia, Dr Sam Shahin of the Peregrine Corporation. They have put \$120 million into Tailem Bend. They have put that town on the map.

The long answer to your question is that we need unity and we certainly believe that the opportunities economically will be achieved if we can get that unity. Federally, I am not sure that they appreciate or understand, again, some of the same issues. It is a state issue. We worry about the registration and the SIVs; let all that be the worry of the state. I certainly plan on hand-delivering, with Scott McLaughlin—he does not know, yet—the Deloitte report to Scott Morrison, because they do have a responsibility as a federal body to continue to explore ways where economic impact can really resonate around the country.

**CHAIR:** On a personal level more than anything else: I asked the question before about the post-Holden era and the VA Supercars.

**Mr Arocca:** You will be glad to know that my first car was a VH Holden, handed down by my old man. It survived a wheelie in the Monash University car park when I dropped it off its mounts. Someone put the mounts back on and off we went again. That is not acceptable conduct, by the way.

I think it is encouraging that Lesley has made a point of saying that the demise of the Holden company in Australia is not going to be the demise of Holden as such. People will love their Holdens till they die. There will be parts made and there will be people who will still be able to work on them. We are particularly committed to STEM—science, technology, engineering and mathematics—around motorsport. The centre of excellence that we are building in New South Wales will have a strong focus on that. We think it is a skill and an art that cannot be lost, particularly given all of the passionate historic motorcar owners in this country. Before I became the CEO of CAMS or Motorsport Australia, I had no concept—none at all—of the significance of historic motorsport. It is mind blowing how much people love, engage in, spend money on and admire historic cars. The only thing that really holds us back is distance. If we were connected to Europe, we would have three times the amount of historic cars in this country and not just Holdens, which will become historic cars. They already are historic cars.

We sit here despite electric cars, despite eSports, despite autonomous vehicles. You will be holding an inquiry in 30 years time, or maybe someone else will, talking about the significance of motor recreational activities in this country. It ain't going anywhere. It is still going to be very strong.

It is not just an economic argument; it is important to understand that it is a sport. We are often seen as an economic industry, but we are actually a sport. We just happen to have a very powerful industry behind us. You only have to look at the Netflix series on at the moment that I recommend, *Drive to Survive*, which is a real eye-opener about a sport at the highest level and what happens behind the scenes, which some may not necessarily appreciate.

**Mr BOYCE:** You alluded to the fact that the provision for more venues needs to be addressed. You commented on the facility near the airport. I represent an electorate in rural and regional Queensland. Do you have any thoughts on whether these venues could be built outside the south-east corner, to promote growth in the regions? For example, the Northern Territory has the Finke desert races, as I am sure you are aware.

**Mr Arocca:** The Bathurst of off-roading.

**Mr BOYCE:** That is right.

**Mr Arocca:** I know of about 20 developments that are currently on the books around the country, about three of them in Queensland. There is certainly one up in the far north, in Townsville, where they have been working assiduously to try to build a track. If there is a 100-hectare site anywhere in this country and it is within reasonable distance of a capital city, then it is a potential track. I know this is a Queensland inquiry, but the Victorian government is really committed to looking at a track in Fiskville, which is some 80 kilometres from Melbourne, about 30 kilometres from Ballarat and about 40 kilometres from Geelong. A venue that would be run by the industry for the industry and would have significant flow-on effects to that triangle of cities.

I think that we need to look at Far North Queensland. It is screaming out for a track. We have Queensland Raceways, Lakeside Park and Morgan Park Raceway. I know street circuits are a fantastic thing for events purposes. It is the biggest event in Townsville. The Gold Coast runs one of the best in the country. However, they do not leave a legacy. They pack them up, they send them home and they come back again in 12 months time. We need venues that are there 365 days a year. In fact, most are used for 363 days, with Easter and Christmas being the exception. You have to book a track about a year ahead to get on for a weekend. Weekend sport is big. There are lots of corporate drives going on. There is not a track in this country that is not making money, even if they are being run by small clubs, because the demand for venues far outstrips the supply.

On that basis, if anyone who listens to this recording or reads the transcript thinks that they can pull together an economic argument around a track, we are there to help them because that is what we do. We were there with Tailem Bend. We were there with the BNE Auto Mall. Part of our role is to make sure that we get more tracks built and they are getting talked about. It will only be a matter of time before another track is built in this state beyond the BNE Auto Mall.

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**Mr MELLISH:** Following on from the member for Callide's question, and thanks for your response to that, that is the central issue. You mentioned in your submission the lack of permanent circuits and the lack of suitable venues. Last week we saw Townsville stadium opened in Townsville. That was not a government proposal. People came to government and said, 'Here's the plan. Here's how it's going to get built. We need this support.' We got all levels of government there. I think we need that for motorsport. As a government, it is hard for us to go out and necessarily pick winners—

**Mr Arocca:** Sorry to interrupt you. We have actually picked winners for two states. South Australia came to us and said, 'We've got five proposals. Which one?' We conducted a study at no charge because we could see the long-term benefit and settled on Tailem Bend. They then settled on Tailem Bend and they assisted Sam Shahin and his family to achieve that. We have a critical role to play to pull together all of the disparate parts that could make a track viable. We have the information around how to build them and to what standards to ensure they are economically viable.

I know I jumped in. My point is that that is our role. We see it as a significant responsibility to ensure that we are out there promoting and pushing for venues to be built. As I said, gladly there are some 20 that are currently being talked about around the country in one form or another but we are behind.

**Mr MELLISH:** That is what I am getting to, I suppose. What is the equivalent in Queensland? Our two biggest attended events, as you mentioned, are street circuits. Do we need to say to Supercars, 'If we build this, will you put it there?' What needs to happen for that infrastructure?

**Mr Arocca:** Despite the Holden issue, Supercars will be around for a long time. Do not worry about the Supercars. I think there should be a rational, logical discussion with Supercars and Motorsport Australia about leaving that legacy and where it would be best placed. There is no point building it 10 kilometres from the city. It needs to be somewhere that is accessible but also will not be crowded out. We have always said that, while street circuits play an important role in developing the sport as an event, they do not allow us to actually participate. This government gives more to Supercars, from what I am led to believe, than most others in the event space. If there was some quid pro quo around supporting a permanent circuit, I think even Supercars would say there is some merit in that because they benefit from more participation, more people watching. At the moment, there seems to be a greater interest in running more street events near capital cities, and for us it is a tough one. That is the dilemma for us. We need the street events but we want the growth.

**Mr MELLISH:** Thanks for that.

**Mr KELLY:** With these new projects you are talking about—the ones that have occurred and the ones that are in the pipeline—does Motorsport Australia work in with the broadcasters and the telecommunications folks to make sure these facilities are top of the line in terms of broadcastability, internet connectivity, et cetera?

**Mr Arocca:** One area we are not particularly in tune with is broadcasters. Inevitably, they go to the brightest lights, the brightest stars on Broadway and Hollywood, and therefore Supercars. We do not have the critical mass that the AFL or the NRL have in terms of being able to negotiate deals. That therefore hampers us from the capacity to be able to work with them around venues.

Modern technology is a wonderful thing. Ten years ago we did not have drones. Many of our motorsport events are now being filmed with drones so I am not concerned about where you build them and how that could be accommodated from a broadcasting point of view. They will come. If it rates or if it is of interest, they will find a way to be able to make that more accessible to iPhones, iPods and televisions. We are acutely aware that TV is an important part of the sport, but we also believe that participation is more important to us.

**CHAIR:** You raised before ASADA and the drug and alcohol testing. Is there an affiliation with the police on that at all?

**Mr Arocca:** I would imagine that ASADA and the National Integrity of Sport Unit have relationships with police. Our role is not to be involved in the criminal side of the sport; our role is to find and penalise individuals. That does not mean we have not had occasion to refer matters to the police where we believe an individual was acting dangerously both on and off the track. In broad terms, we self-regulate in that area with ASADA's assistance. If they refer a matter to the police, it is up to them but we are certainly not in that role.

**CHAIR:** As there are no further questions, I thank you very much for your time today. That concludes our hearing for today. A transcript of these proceedings will be available on the committee's web page in due course. I declare the hearing closed.

**The committee adjourned at 2.34 pm.**