



Desecration of parkland: turn 1 at the start of the 2022 F1 grand prix (a screen shot from YouTube/ 'Australian Grand prix 2022/Race Highlights'). A foreign-owned car race promoting a foreign owned beer product, with grandstands erected in a childrens playground, grass decorated and used as a hoarding.

The uncertain future of the grand prix

Australia and the world are entering a critical period. Survival of civilisation, as we have known it, is threatened by the rise of belligerent, autocratic nations and the increasing danger of World War III. Then there is threat from climate change which demands serious attention. However, in Victoria we have a government which apparently has no concern as to the future and has committed to spending a billion dollars or more on a further 10 years of grand prix car racing.

People need 'bread and circuses' but they don't need the imported, highly expensive, fossil fuel guzzling and parkland alienating circus, the Australian Formula 1 Grand Prix car racing event. However, in Victoria that's what we've got and it's supposed to stay with us until at least 2035. From the way the world looks now, the event may well not survive that far. However, there is the possibility that we will continue to live in peace, sanity prevails and we get an honest state government which decides to junk the event or relocate it to a permanent circuit. Meanwhile, SAP will continue to do its job of exposing the facts behind this environmental and economic excrement.

Extension of the race contract: no real justification, just old worn out words

The extension of the race contract was announced on June 16 by the former minister for major event events, Martin Pakula, with a media release headed '*Melbourne takes pole position with F1 deal to 2035*'. The 'pole position' really means Victoria has scored a first position in the signing of bad government contracts. The contract dooms the state to a further billion-dollar loss. The contract is secret and has been signed without any proper justification by means of a cost benefit analysis.

Economic impact? To support the decision, the minister's media release quoted an economic impact assessment of the 2022 grand prix which stated that the event 'generated 92 million of direct spending'. That figure represents an estimate of the spending on accommodation, meals etc by interstate and overseas grand prix visitors while in Victoria. It sounds impressive but it is sales figure, not a measure of the profit to local businesses.

Gross state product? The media release also stated that the 2022 event increased Victoria's gross state product (GSP) by \$171 million. This represents a relatively insignificant 0.57% of the state's total GSP of \$30 billion.

Number of visitors? It is significant that there has been no official report on the actual number of out-of-state visitors attracted by the event. The ticketing system is understood to be wholly digital and

should be capable of monitoring the origin of all visitors. The number of visitors is important: it is a measure of the economic effect of the event.

Attendance? The media release also stated the 2022 event had 'never been bigger', with more than '419,100 people flocking to Albert Park for this year's race'. That figure is grossly misleading; it is an estimate of *attendances* not the number of patrons, and includes attendances by event staff and free tickets issued. Replies to freedom-of-information requests to the AGPC indicated a total attendance of 419,114 comprising 316,223 attendances by patrons, 67,500 attendances by credentials' (event staff, officials, competitors etc), and 35, 391 attendances by assumed holders of free tickets.

The attendances by patrons were spread over three categories of tickets: corporate (12%), grandstand (33%) and general admission (55%). Assuming an average of two attendances per ticket by the corporate and grandstand patrons, and an average of around 1.2 attendances per ticket by general admission patrons, indicates an overall total of 216,000 patrons, ie close to half the claimed 419,114 attendances.

The revenue received from the sale of tickets is a reliable indicator of the patronage of the event and SAP lodged an FOI request with the AGPC for the 2022 event figure. This request was refused, but the Office of the FOI Commissioner has accepted SAP's request for a review. In 2019, ticket sales revenue was \$38.7 million from 132,438 tickets sold.

The cost of the contract extension

The grand prix events leading up to 2019 were run at an annual operating loss of around \$60 million. The 2020 event was cancelled after one day and recorded a loss of \$39.7 million. A loss of considerably more than \$60 million is expected for the 2022 event as more than usual was spent on the set-up. SAP has noted that in 2021 the AGPC received \$190 million from the Department of Jobs, Precincts and Regions, apparently to fund the enhancement of the 2022 event.

We can expect a continuation of this enhancement with accompanying higher set-up costs of the temporary circuit. Together with rising inflation, possibly extending into the 2026-2035 ten-year contract period, we can expect that operating losses will rise to \$80-90 million per year, amassing a total cumulative loss on this event from its inception in 1996, to over two billion dollarsand there will be absolutely nothing to show for it.



Grand prix promotes oil and gas producer

The photo above shows Albert Park Reserve, transformed into a car racing circuit, and used to promote ARAMCO, the world's largest oil and gas company, owned by the Saudi Arabian government. This image was sent around the world during the 2022 grand prix, conveying the message that in Melbourne we don't know or care about the emissions generated by ARAMCO's products, nor do we recognize the Saudi government's suspected involvement in the death of the dissident journalist, Jamal Khashoggi. The well known and respected journalist, Noel Turnbull, posted the following comment in his blog of August 2..

'Greg Norman called the Saudi's Jamal Khashoggi's murder and body sawing just a mistake. The Age's Greg Baum (the only Melbourne sports journalist to regularly expose the Melbourne Grand Prix 's false claims) called it murder. Now Victoria has shown that like Greg Norman, we're not that regretful about linking ourselves with those who have blood on their hands.'

SAP understands that the advertising displayed on the circuit fences is organized and sold by the owners of Formula 1, the US company Liberty Media.



Another 'horror crash', this time at the British grand prix on July 3. The car ended up a tangled mass jammed between a crash barrier and the circuit fence. The driver escaped without serious injuries. It was reported that 'after the crash, protesters climbed the fence onto the track and lay down on it.' (au.news.yahoo.com, July 4).

How the business of Formula 1 has been modernised and promoted

While SAP disputes the number of ticket-buying patrons at the 2022 Melbourne grand prix, there is no doubt it appeared to be a bigger and more important event and a larger than normal crowd attended. This was apparently the result of intensive promotion following the 'modernising' of Formula 1 undertaken by Liberty Media after buying the business from Bernie Ecclestone in 2018.

Ecclestone sought the support of well-heeled but ageing fans but Liberty Media decided that the way to generate maximum profit was to target the younger generation. With the aid of high pressure promotion provided by 'Salesforce' (the self-styled 'leader in 'customer relationship management') Liberty Media has apparently succeeded in attracting many new fans, and it has been reported that 36% of current fans are under 25. An important component of the promotion has been the Netflix TV documentary, 'Drive to Survive' which has the Australian driver, Daniel Ricciardo as one of the cast.

The revenue from increased ticket sales goes mainly to the circuits that stage the races, but increased attendances means Formula 1 can charge higher race hosting fees, sell more merchandise, earn more from selling TV broadcasting rights and attract more sponsors. Formula 1's most recent financial results show earnings of \$1 billion from TV rights, \$700 million from race hosting fees and \$300 million from sponsorships (eg, Rolex, Heineken, ARAMCO).

While Formula 1 rakes in the billions, most of the circuits make a loss and have to rely on support from governments which continue to believe the myth that the event somehow puts their country on the world stage.

New minister for major events: will anything change?

In late June, Martin Pakula announced his intention of not contesting the next state election and resigned from the Victorian state government ministry. His place as the Minister for Tourism, Sport and Major Events has been taken by the member for Oakleigh, Steve Dimopoulos.

The new minister is aged 49, and graduated from Monash University in the 1990's. He has had extensive connections with the local community, working with refugees and migrants in the courts, and served as a councillor and mayor of the City of Monash. He entered state parliament in 2014 and has served in variety of roles including Secretary to the Premier in 2020.

SAP has written to Mr Dimopoulos congratulating him on his elevation to the ministry and explaining our position on the grand prix. We also asked to be supplied with a copy of the economic impact assessment of the 2022 event, referred to in the June 16 media release issued by his predecessor. No response has been received.

'Own a piece of Albert Park (limited release)'

On July 23, the Grand Prix Corporation issued a media release which offered for sale pieces of the race track comprising short lengths of core samples from 'the original Albert Park Grand Prix Circuit'.

Each piece came with a certificate of authentication and cost \$199 each. The offer gave fans the 'opportunity to own their very own piece of Albert Park'. Apparently they sold out on the day.



This is Formula 1's vision for a night race through the city of Las Vegas.

Formula 1 to self-promote a grand prix race through the centre of Las Vegas.

Formula 1 has spent \$US240m to buy a block of land in Las Vegas to locate the pit buildings and 'paddock' complex, intending to stage a night race through the city in 2023. The circuit will have cars 'roar past landmarks such as the Bellagio Fountains and Caesars palace'. The race is expected to attract 170,000 fans.

This means there will be three F1 races in the US, the others being in permanent circuits in Austin, Texas and suburban Miami. It could also mean that there will be 23 races in the 2023 race series, further reducing the significance of the Melbourne race.

It also means that in Las Vegas the powers-that-be have no concern about emissions and climate change.... just like here. .



Save Trees

*Save trees. Let them grow. Spare their lives.
Standing green people are our wealth and health.
Without trees on earth there would be no life.
Let's hold hands together, help them prosper,
and expand and thrive.
Exuberant and luxurious as in ancient times.
Fight the desert, preserve our planet.
Save the rain forest ,but also the city trees
and any tree around us.
Be it so!*

(Source not confirmed)

A 2001 photo of the 300 year-old Ngargee (Corroboree) Tree at St Kilda Junction, before SAP persuaded VicRoads to install a guardrail to protect it from further damage.

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