# **SAPIENS** Newsletter of Save Albert Park Inc. A00409971X

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# The Intergovernmental Panel on Climate Change (IPPC) has stated that it's "unequivocal: humans are warming the planet".

It is also unequivocal that staging grand prix racing in Albert Park Reserve is making a contribution to that warming, and that the major factor is the use of a temporary circuit.

The event itself contributes to the 256,000 tonnes of greenhouse gases estimated to be emitted annually by the Formula I race series, but the major emissions are generated by the heavy truck travel needed to build and dismantle the temporary circuit.

The photo above, taken in early February 2019, shows one of a fleet of trucks that transport the thousands of tonnes of crash barriers, fence panels (300 truckloads), gravel (6000 tonnes), components of grandstands and marquees and other items needed to construct the circuit. The trucks travel a total of 66,000 kilometres from an Altona storage yard to the park and back again over a period of five months.

Of the 22/23 F1 races around the world, three are held in city street circuits, the rest are held in permanent circuits, except for Melbourne which is the only race held in a temporary circuit wholly contained within a public park.

The race is held in the park because the location, with views on TV over the lake to the city skyline, is supposed to boost tourism, and that it helps to promote Melbourne and Victoria on the 'world stage'. No evidence has ever been produced to prove that the event has induced increased interstate or international tourism, or new business ventures.

It's a repeated claim that the event delivers 'value for money'. (A cynical view of this claim is that the 'value' lies in the donations to political parties from the hospitality industry which benefits from the spending by race visitors, and the money that earns it comes from public funds.) There is however no doubt that the event generates an annual heavy financial and economic loss to the state and seriously disrupts the normal function of the park. The question then arises: why continue with event?

#### There are three alternatives for the Victorian government:

- **Continue staging the event** in the park, regardless of the environmental, social and economic disbenefits.
- Create a permanent, modern, F1 circuit (possibly involving private interests) at a suitable location, (eg., at Avalon) where various other motorsport activities could be catered for, year-round. This would eliminate the truck transport emissions generated by the use of a temporary circuit, and the annual \$30-35 million cost of building and dismantling it.
- **Break the race contract** with Formula 1 and use the \$40-50 million annual race hosting fee for needed social purposes (such as housing the homeless).

What the Victorian government plans to do. In the words used recently by the Minister for Major Events, Martin Pakula: "We have an agreement (with Formula 1) through 2025, we're very keen to extend it. We'll be working very close with Formula 1 to ensure Albert Park is the venue for many years into the future". (ref.: F1Reader.com, Australia unlikely to open 2022 season, July 7, 2021.) So the misuse of public funds, the noise, the sports clubs kicked off their grounds, the effect on global warming etc etc, will just go on for ever.

What SAP plans to do. SAP plans to intensify its efforts to publicise the serious negative effects of the grand prix and the dishonest means by which the event is promoted. A letter from Peter Logan, published in *The Age* on August 11, was brief but to the point: "...this so called sport -the grand prix - that disrupts local sport every year, has wasted a billion dollars of taxpayers' money and does nothing for the health or well being of a single Victorian. "

#### If the grand prix stays, it has to be in a permanent circuit!

If our state government decides it must have its grand prix circus, continuing to stage it in Albert Park Reserve would represent a serious financial, economic, social and environmental offense and a thumb-to-the-nose directed at a world community faced with a possible climate change catastrophe.

Moving the race to a permanent circuit is not an answer to global warming, but at least it is a move in the right direction. There is also the prospect of catering for electric car racing, eg, the Formula E events, and (if the area is big enough) even the off-road electric car series, 'Extreme E'.

A permanent circuit for the grand prix would remove the cost of the temporary circuit and halve the annual operating loss.

As noted in our last issue, since the first grand prix in 1996, around \$600 million has been spent on the annual building and dismantling of the temporary circuit infrastructure. Establishment of the pit buildings and modifying the park roads in 1994-5 cost around \$96 million and further millions have spent over the years on 'capital costs' associated with the circuit. Several top-class permanent circuits could have been built for all that.

There is an ideal location for a permanent circuit next to Avalon Airport. It's ideal if only for eliminating the need to transport to Melbourne the hundreds of tonnes of equipment and materials shipped by air by Formula 1 and the teams.



This is an 'Extreme E' electric car designed for off road racing. It's a very ugly vehicle but could also have an appeal to the most dedicated petrol-head. Extreme E racing is claimed to be 'guilt-free' and could be used to promote emissions reduction!

# The physics of climate change was understood way back in the 1800's: thanks to a woman scientist.

We quote from a recent article in 'The Conversation': 'Long before the current political divide over climate change and even before the US Civil War, an American scientist named Eunice Foote documented the underlying cause of today's climate change crisis. The year was 1856. Foote's brief scientific paper was the first to describe the extraordinary power of carbon dioxide to absorb heat – the driving force of global warming. Foote conducted a simple experiment. She put a thermometer in each of two glass cylinders, pumped carbon dioxide gas into one and air into the other, and set the cylinders in the sun. The cylinder containing carbon dioxide got much hotter than the one with air, and Foote realised that carbon dioxide would strongly absorb heat in the atmosphere.'

It was in the 1800's that the world's population began its steep climb from one billion in 1800 to the current 7.8 billion, and the planet began an accompanying atmospheric warming.

#### Could the COVID-19 pandemic save the park?

The news on the internet indicates that the Australian Grand Prix event will lose its coveted place as the opening race of the 2022 season, and the event will now be held on April 7-10. However, it is still not certain that this will happen. The F1 race calendar is still in a state of flux because of continuing concern about quarantine arrangements and this is a particular issue with the temporary circuit in Albert Park Reserve.

It appears that the first race in 2022 will be held in Bahrain on March 11, following six days of testing of cars at the Barcelona and Bahrain circuits. The competition will then head to Abu Dhabi in Saudia Arabia for the second race on March 27, with a following two-week gap prior to the Australian Grand Prix. However, it seems that there is still no certainty about the April date and Formula 1 is calling the shots as to what happens in our park. The sports clubs are the most affected by this, and SAP has been told that sports played in winter face losing access to their fields and facilities for up to half the season, with associated loss of players and revenue. The clubs had problems with the former moveable March date, but an April date would make life even more difficult for them. Some clubs are worried this may threaten their existence.

If a permanent circuit existed (say at Avalon Airport) there would be minimum problems in coping with the covid epidemic (as is the case with European circuits) or with Formula 1's dictates. SAP is hoping that the Victorian government will see the sense of a permanent circuit: ultimate flexibility with the race date, big savings on annual cost, reduced emissions, unrestricted use and proper development of the park, no more problems for the sports clubs, and no more noise and disturbance for residents.

#### Ron Walker's Olympic 'dream of gold'

The late Ron Walker, former Lord Mayor of Melbourne, close friend of former premier Jeff Kennett, treasurer of the Liberal Party, co-founder of Hudson Conway (which won the contract to build Crown Casino) was also a self confessed petrol-head who had a long standing ambition to bring Formula 1 car racing to Melbourne.

In 1992, as chairman of the then Melbourne Major Events Company (MMEC), Ron Walker began discussions with the F1 chief, Bernie Ecclestone regarding relocation of the Australian Grand Prix from Adelaide to Melbourne. In 1993, a conditional agreement to move the race was signed by Walker and Ecclestone. Later that year, Jeff Kennett, in London ostensibly to secure the rights to Sunset Boulevard, secretly signed a formal agreement with Ecclestone to relocate the race. In September 1993, Ron Walker signed a confidential contract with Ecclestone which ratified the previous agreements.

In Melbourne, Jeff Kennett and the Treasurer Alan Stockdale alone agreed to the deal on behalf of the State Government, without consulting Cabinet and without a detailed economic evaluation by Treasury. Cabinet was advised later.

**Early in December 1993,** Melbourne Parks and Waterways issued the 1993 Draft Strategy Plan for Albert Park Reserve, issued after wide public consultation. This comprised 'detailed proposals for landscape works, access and circulation, together with recommendations for building upgrading or redevelopment'.

**On December 18 1993,** Jeff Kennett announced a five year contract to stage F1 races in Albert Park Reserve, which he said would provide an opportunity to upgrade a neglected, run-down park, and provide significant economic benefits for the state.

The 1993 Draft Strategy Plan was withdrawn and a year later replaced, without any public consultation, with a new Master Plan 'Realising the vision', which set out a comprehensive replanning of the park as a venue for F1 racing.

In November 1995, at the launch of the 1996 race, Ron Walker announced that his plan was to have the F1 grand prix granted Olympic status. He said: "The time has come for Formula 1 motor racing to be admitted to the Olympic family. The (F1) athletes are equal to any Olympians in terms of discipline, training and perfection in sport." Remarkably, Ron Walker appeared unaware that the Olympic charter does not allow events in which competitors are moved by motor.

He also said that attendance on race day " .....would be limited to 200,000, because we want everybody to have a good view of the race and not be crowded together." (ref': The Age, November 15, 1995).

Vale, Ron Walker, we don't wish to speak ill of you. You had a had a most successful career and what you did, you did it well. The problem for SAP was that we disagreed with what you did.

## 'Parks Charge' put to appropriate use!

Victorian households are now receiving water bills which will include \$80.20 to cover the annual 'Parks Charge'. This extra charge is intended to help maintain and enhance our parklands There are about 2.5 million households in Victoria so the state government might raise around \$200 million for this purpose The state government has recently spent \$20 million on modifying the roads in Albert Park Reserve to make grand prix racing faster and more competitive, and the parks charge paid by about 250,000 households and collected by the Department of Environment, Land, Water and Planning, should cover this sum nicely. Most householders would, of course, be proud to think that their contribution had been put to such an appropriate park-enhancing use.

### Brisbane Olympics to leave 'enormous' loss

Over the years, Save Albert Park has created fat files on almost every aspect of the F1 grand prix racing event. One of the fattest is filled with academic papers and information about the economics of 'major events'. More than 25 years ago mainstream economists were pointing out the fallacy of evaluating major events by their economic impact, ie the revenue and other social benefits created by the events and ignoring the costs involved. This is akin to a business representing its sales revenue as its profit.

However, the practice of promoting major events by their economic impact is alive and well as demonstrated by the promotion of the 2032 Brisbane Olympics. An article in *The Age* on August 2, headed 'Brisbane Olympics to leave enormous loss', reported that both the federal and Queensland governments had cited research by KPMG that found the Games "would deliver up to '\$17.6 billion in benefits to the nation", but went on to say "that research did not take into account the cost of staging the Olympics and relied heavily on social benefits including 'community spirit' and 'civic pride' ....".

The article quoted comments by the University of Western Australia economist, Jakob Madsen, who said "Hosting the Summer Olympics in 2032 is an extraordinarily bad idea and can be a loss-making arrangement on a grand scale".

Also quoted was prominent independent economist, Saul Eslake who said that the "Olympics did not deliver the economic boost promoted by supporters. While there may be a short term sugar hit, there was no evidence that such large events delivered a lasting economic boost. Public money would be diverted away from more useful expenditures while any lift in Queensland's economy would be largely at the expense of other parts of the country. The Olympic 'movement' as it likes to style itself, is a tainted as the World Cup and Formula 1."

#### The park, its trees and its birds

SAP has heard that the Grand Prix Corporation intends to completely re-surface the park roads to help make F1 car racing more exciting. Around \$20 million has already been spent to widen the roads. However we have not heard of any plans to plant more trees. Trees are important for the park's wild birds and it's also important that there is a *variety* of trees, not a monoculture such as was established opposite the pit buildings. A grand prix was being planned for next November but then cancelled, which was fortunate for the park's wild birds, as that month is part of their breeding season. The park's water birds are another matter: the park with its lake provides an idyllic home.

