



‘A moving symbol of brave hope’

This picture, taken in October 1995, shows SAP’s ‘Big Parkland Flag’ spread out in James Service Place opposite the former St Vincent’s Boys Home in Cecil Street South Melbourne. The idea for such a flag was conceived by SAP’s Art Group in mid 1995 and designs were invited from members. The design (lower left) by artist Liz Grieb was chosen and the design was redrafted for full size production. A team of SAP machinists, based in the former Boys Home, produced the huge 40 X 20 meters flag and many other SAP members were enlisted help to manhandle and test ‘fly’ it.

The flag was finished in time to be flown at SAP’s second Pit Buildings Rally on October 15, 1995 when the guest speaker was Ben Haber, a retired New York lawyer who had successfully opposed a proposal to stage an F1 grand prix in the city’s Flushing Meadows Park. He said “a high speed car race is a city park is a perversion of legitimate park use”, and “parks are the lifeblood of an urban society”, “the grand prix will put Melbourne on the map in a negative way, when the Tennis Open had already put the city on the map in a positive way.”



Sydney is getting serious about the grand prix

According to the *The Age* on December 2, the NSW Premier, Dominic Perrottet has given strong support to the proposal to take the grand prix to Sydney. He apparently believes that Sydney is already the greatest city in the world and he was quoted as saying “and seriously, why would Formula 1 want to stay in Melbourne when you can come here?”

We agree wholeheartedly with Mr Perrottet: Sydney is a much more appropriate location for Formula 1. However, he is ‘doing a Kennett’ by going along with the original proponent of the proposal, Tony Shepherd who is a prominent business leader, and chairman of Venues NSW, a chain of stadiums and entertainment centres. As in the Kennett years, no business case or cost benefit analysis has been carried out and apparently the thinking is that the NSW public will be happy to meet the inevitable heavy losses on the event. However, at least Mr Shepherd has said “We would need to choose the route carefully to avoid disrupting people”.which was never said by Messrs Kennett or Walker..

PM acts with speed this time

Motorsport fans are reported to have taken to social media 'in droves' to slam Prime Minister Scott Morrison for a 'shameless public relations stunt' at the Supercars Bathurst 1000 event at Mt Panorama NSW, over the December 4-5 weekend. He was photographed participating in a 230 km/h circuit of the racetrack with famous driver Mark Skaife.

Apart from the publicity stunt aspect, if the PM is a supporter of motor racing it demonstrates a lack of real interest in reducing emissions. Perhaps he will turn up at the F1 grand prix in April. With a federal election looming, would he be made welcome by our Labor premier?

Grand Prix 'estimated attendance' numbers – how they have been calculated

In SAPIENS 300 we described how progress was made in determining the actual patronage of the 2019 grand prix event, as distinct from the Australian Grand Prix Corporation's 324,100 'estimated attendance' figure. By means of freedom-of-information requests we learnt that 132,438 tickets had actually been sold, comprising 13,589 corporate tickets, 30,805 grandstand tickets and 88,044 general admissions.

We also learnt that repeat attendances by around 17,000 'credentials' (event staff, competitors, officials, media etc) over four days were included in the AGPC's attendance estimate, and that a further 41,000 free tickets had been issued to schools and charities and assumed used over the four days.

If the total attendances by the credentials (64,000) and the assumed attendances by the free ticket holders (41,000) are added to the possible repeat attendances by the 132,438 ticket buyers (around 226,000) an 'attendance estimate' close to the AGPC's 324,100 is obtained.

This appears to indicate how the AGPC calculates all its 'estimated attendance' figures. The process is deliberately misleading, but it could be defended because it provides an estimate of the number of attendances. The process certainly does not provide any indication of the real patronage of the event by ticket-buying spectators.

SAP's next step is to stop the AGPC from using its estimated attendances to promote the success and popularity of the grand prix event.

How attendances might be calculated in future SAP has a copy of a recent letter signed by the the Minister for Tourism, Sport and Major Events, Martin Pakula. This letter contains the following statement:

'Planning for the staging of the 2022 Grand Prix will require the Australian Grand Prix Corporation to count attendee numbers and to keep records of all attendees.

Further to the issue of attendance numbers I can advise that Ticketmaster verifies the sales of grandstand and general admission sales. Scanning technology has been trialled at a number of entry gates and is being progressively rolled out where the technology is supported by available infrastructure.'

We can hope that this means that the attendance estimates issued for the April event will have an improved relationship to reality, but we wonder why the scanning technology is only available at certain gates, when the AGPC appears to have a very generous money supply.

The 2021 annual report on page 22 shows that the cancelled 2021 grand prix incurred an overall operating loss of \$12.477 million, but the cash flow statement on page 39 lists 'Government contributions – 2021 Formula 1 Grand Prix : \$81.631million'. The 2020 annual report showed a loss of \$39.722 and a cash flow of \$68.310 million for the 2020 event (cancelled after the circuit had been built). We don't understand what this cash flow is all about, but it appears to be flowing freely.

Why the state government loves the grand prix

The previous paragraph regarding the counting of grand prix attendees referred to a letter from the Hon. Martin Pakula, the minister responsible for the grand prix. This letter also shone a bright light on the state government's level of understanding of the value of the event.

The letter states, in summary, that the Grand Prix brings broad benefits by promoting Melbourne to the world, drives tourism and contributes to the 'vibrancy and liveability' of Victoria, creates an economic impact of up to \$39 million annually (source quoted – 'The Economic Impact of the 2011 Formula 1 Grand Prix - Ernst and Young 2011), and TV broadcasts to China, India and Japan lead to 'induced tourism, business linkages, industry development and inward investment.'

(continued next page)

If our state government actually believed all this it could have commissioned a cost benefit analysis to confirm it as fact, which would have shut down some criticism of the event . Significantly, this has been not been done. Instead, a ten-year-old Ernst and Young economic impact assessment has been quoted which provides no evidence of real benefits to the state. It seems that the government's reading of this report was limited to the 'Executive Summary' and did not extend to page 55 which contains this statement: *'Economic impact analyses only measure the changes to overall economic aggregates. To understand whether the Grand Prix delivers net welfare improvements to Victoria, a full cost benefit analysis would need to be prepared'*

Formula 1 car racing is first and foremost a marketing platform. It is very good at marketing automotive and other products and services, but it is also a useful way for governments to 'market' themselves to the general population and to powerful business interests by promising economic benefits. That's why our state governments, of both persuasions, love the grand prix.

The Newcastle 500 Supercars street circuit .



Newcastle's Supercars event: unknown costs, no believable benefits

While residents and businesses impacted by the Supercars 500 race staged in its beachfront streets have repeatedly called for a cost benefit analysis on the event, the City of Newcastle has only commissioned an economic impact report which does not consider costs. This report, covering the three 2017-2019 events, and published last July, was conducted by Ernst and Young who appear to be well aware of its limitations. A 'release notice' attached to the report states: *'Ernst and Young has prepared the Report for the benefit of the Client and has considered only the interests of the Client and makes no representations as to the appropriateness, accuracy or completeness for any other party's purposes'. "We do not imply and it should not be construed that we have verified any of the information provided to us Our conclusions are based in part, on the assumptions provided by the client.'*

In an article published in the Newcastle Herald on November 3, Christine Everingham, a leading member of NERG, the Newcastle East Resident's Group, stated that the report failed to identify any believable benefits to the city as the attendance estimates were directly derived from attendance figures supplied by Supercars. "Supercars does not provide an actual count of attendees. Rather, they use the number of tickets issued – sold or given away free, Supercars counts them in their figures whether people come or not." For the 2017 race, Supercars estimated an attendance of over 192,000. NERG calculated that there could not have been more than 80,000 attending the race over the three days.

Considering SAP's experience with the grand prix it seems that motor racing has a common problem: a total inability to count spectators properly. However, even Supercars could not cover up a decline in its 'gross attendance' figure for the event: 192,242 in 2017, 162, 248 in 2018, 154, 008 in 2019.



F1 motor racing and climate change

Three months ago we wrote to the state minister for the grand prix, the Hon. Martin Pakula, regarding the carbon emissions attributable to the grand prix event, in particular, the significant effect of the building and dismantling of the temporary circuit. We suggested that the government should consider moving the event to a permanent circuit, at an appropriate site, eg, adjacent to the Avalon Airport. Copies of the letter were sent to the Premier and a group of other ministers with responsibilities in areas related to the environment and community wellbeing.

Our letter stated that Victoria has to show it is sincere about reducing its greenhouse gas emissions and that the world will be taking note.

We recently received a reply from the minister, which devoted the following two lines to our permanent circuit proposal: *'Regarding your proposal to relocate the Grand Prix to a location adjacent to the Avalon Airport, I can advise that the Grand Prix is contracted to be staged at Albert Park until 2025.'*

The minister added some interesting comments on how the AGPC is implementing some 'sustainable environmental practices' at the event, including *'closed loop food packaging and a waste reduction program where waste is collected, on-processed and made into reusable raw material which is then used to manufacture new end-use products'*. *Organic food waste bins are provided for spectators.*

'A new initiative called KERS (Kinetic Energy Recovery System) was introduced to Formula 1 cars in 2011. KERS stores energy generated through braking and then releases it as required by the driver. It has made Formula 1 more environmentally friendly, road relevant and at the cutting edge of future automotive technology.'

We are pleased to hear all this, particularly that rubbish bins are provided for spectators and that the use of the 10-year old KERS system is putting the cars at the cutting edge of automotive technology. Meanwhile, the AGPC is planning to build more grandstands for the 2022 race, which of course, means more emissions.

Letters to the editor Over past few months there have been nine letters opposing the grand prix published in Melbourne's daily papers. Only one is from an SAP member.

The main points made were:

Sunday Age, Oct. 24, Deborah Morrison, Malvern East: **Many Melburnians are sick and tired of the noisy, smelly disruption that is the GP.**

The Age, Oct. 25, Peter Barry, Melbourne: **It does nothing positive to promote Melbourne....**

The Age, Oct. 26, Eldert de Graaf, Wheelers Hill: **Crowd fund to send the grand prix to Sydney.**

Sunday Age, Oct.31, Joan Logan, South Melbourne: **...essentially a failed business.**

The Age, Nov. 10, John Pannell, Falcon, WA: **Time to stop and think about carbon emissions.**

Herald Sun, Nov. 17, Anne Fuller, Ringwood: **Voters want value for money: we are not getting it'.**

The Age, Nov. 23, Richard Barlow, Torquay: **Why is F1 motor racing free to keep on polluting?**

The Age, Dec. 1, Ralph Frank, Malvern East: **Go electric, no noise or petrol pollution.**

The Age, Dec. 14 Joan Logan (again!), **State funds should go to training of ICU nurses, not the GP.**

SAP contacts

Media enquiries: Peter Logan, mob. 0412 697 074; email peterandjoanlogan@hotmail.com
Membership/website/accounts: Greg Byrne, tel. 9645 1301; email greg-byrne@bigpond.com
SAP Newsletter/campaign: Peter Goad 9699 7932; email pwgoad@outlook.com
Post: PO Box 1300, South Melbourne BC 3205

