

Australian F1 grand prix schools program

To those who care for Victorian students,

You may be aware that Save Albert Park Inc (SAP) opposes the staging of the Formula One Grand Prix (F1GP) in the Albert Park Reserve, which is in public parkland. The reason for this opposition encompasses environmental, ethical, economic, public health and civil rights issues. We also strongly oppose the Australian Grand Prix Corporation's (AGPC) attempts to recruit school children as Formula One motor-racing fans.

If you are considering accepting the offer of free entry for groups from your school to the Grand Prix (GP), ask the students who will be attending to firstly educate themselves on the following matters. We suggest that teachers and parents - and students too - check these Questions and Answers to be sure they know the facts about the F1GP in Albert Park.

Lesson 1: Health and Safety

Question: What is the noise level that the AGPC proposes for its cars?

Answer: Up to 130dB. (You should seek an up -to -date level if you intend to attend the circuit.)

Task: Go to <http://www.nidcd.nih.gov/health/hearing/pages/noise.aspx#1> for information on noise-induced hearing loss.

Task Students should investigate examples of the different noise levels experienced in every day activities and the recommended time that people should subject themselves to around 130dB without proper ear protection.

Hints: Some GP staff around the track wear professional ear protection to protect them against permanent hearing loss. Many use the same flimsy ear plugs provided by the AGPC for students, their carers and the general public.

Question: Is the AGPC aware of the inadequacy of the inferior earplugs on offer at the GP and what has it done about it?

Answer: Nothing to date. Two SAP members informed the AGPC's General Manager Business Services and its legal counsel of this on 15 March 2013 and were told by the General Manager Business Services that the AGPC "should look into it".

Question: Do the new rules of lower engine noise and fuel limits lower the enjoyment of the race for spectators?

Answer: Yes it does according to the AGPC, but not according to overseas GP enthusiasts and experts. Many argue that it is the skill of the drivers and the engineering design features that are the important matters, and those create the real entertainment, and not the engine noise.

Notes:

The Australian Grands Prix Act 1994 exempts the AGPC and its government owner from:

- regulations relating to noise and vehicle emissions under the Environment Protection Act 1970, including payment of compensation if GP attendees suffer hearing damage.
- payment of compensation for injury caused by its event, by exempting the event from the Victorian Constitution's provisions allowing the Supreme Court to award compensation in respect of, or of anything done by the AGPC.

- the Public Health and Wellbeing Act 2008.
- The Environment Protection Authority has stated that it has no regulatory powers in relation to the Australian Grand Prix.

Disappointingly, school leaders, including Victorian Primary and Secondary School Presidents have not responded to any of SAP's letters regarding these concerns on the detrimental effects on hearing and other aspects of the race.

Many schoolchildren, particularly teenagers, choose not to wear the earplugs supplied by the AGPC probably because it is not cool. Parents and schools may not be aware of any potential harm as there is currently no warning by the AGPC on tickets or in brochures. We are hoping that your school will address these very real potential risks that have been ignored by government departments.

Lesson 2: Social Behaviour and Responsibility

Question: What are the activities that are likely to result in injury and death on our roads?

Answer: Alcohol consumption and aggressive or fast driving.

Question: Who promotes both these activities?

Answer: The AGPC for its F1GP event.

Question: Who attempts to promote slowing down while driving and responsible alcohol consumption?

Answer: The Victorian Government, including the Traffic Accident Commission (TAC).

Question: Who promotes the Australian GP and provides sponsorship?

Answer: The Victorian Government and, for many years, the TAC and VicRoads.

Question: Can everyone see the conflict here?

Answer: Well can you?

Question: What social activity will potentially lead to lung cancer, heart attack, and other severe medical conditions?

Answer: You guessed it, it is smoking cigarettes.

Notes:

- The Grand Prix event promotes and glorifies fast and aggressive car driving. In fact it specialises in it.
- This is combined with the promotion of alcohol: before, during and after the event.
- This promotion is backed up with the barely concealed promotion of cigarettes, with car colours and barcodes suggesting the products.

Cigarette advertising was a major feature of the 1996 - 2006 Australian GP events, but has now been banned, in line with the public health policies of most of the western world. However, Formula One still relies heavily on tobacco sponsorship, with the Ferrari team receiving about \$100 million annually for advertising the Marlboro brand. Cigarette promotion is still prominent in TV broadcasts of Formula One races from other countries, and on internet sites which students could be expected to access. It is still promoted in the historic events at the GP.

Overseas academic studies link motor racing with increased accidents on public roads. To quote from one of them, "*Young males who were more interested in legal motorsport events were more likely to engage in risky driving behaviours*". Warn, J., Tranter, P. J., & Kingham, S. (2004, September 29 to October 1). *Fast and furious 3: Illegal*

street racing, sensation seeking and risky driving behaviours in New Zealand. 27th Australasian Transport Research Forum held in Adelaide, South Australia, Australia.

Lesson 3: Environment

Question: What sport is associated with burning huge amounts of fossil fuels in testing, racing and air transporting tonnes of cars and equipment and personnel around the world each year?

Answer: Formula One.

Question: How many tonnes of greenhouse gases is produced by each racing team each year?

Answer: Approximately 12,000 tonnes.

Task: Calculate the equivalent number of kilowatt hours (kWh) this represents for your normal household use.

Hint: Approximately 1 tonne of greenhouse gases equals 725 kWh.

Question: The 2013 Australian GP saw the introduction of new engines and rules in an attempt to limit the amount of fuel used in races. Who criticised the end result of this change stating it lowered the volume and frequency of the noise produced by these engines?

Answer: The AGPC.

Question: How does the Australian GP add to the amount of greenhouse gases each year?

Answer: By using a temporary racetrack in a public park and thereby needing to transport 40,000 tonnes of infrastructure of track barriers, grandstands and overpasses to and from the site each year.

Question: What is the size of the emissions generated by this activity?

Answer: 1,000 tonnes each year.

Task: Calculate the number of hours of electrical use in your home equivalent for this activity.

Question: What effect do you think that the Australian GP has on the amenities and use of Albert Park?

Answer: Too numerous for a short answer, but effects to the park include the following:

- It takes approximately 16 weeks to erect and dismantle the infrastructure associated with the GP.
- Many local community sporting clubs have their fixtures disrupted each year. Many clubs have in fact had to move out of the park altogether.
- The permanent pit buildings are rarely used during other times of the year.
- The temporary pit buildings (almost as big as the permanent buildings) restrict the use of those areas.
- Some playing areas are permanently out of action and cannot be used at all.
- Some areas take months to recover after the GP has departed the scene.
- Viewing mounds have been erected for use of the GP interfering with other potential uses of those areas.
- The re-alignment of the roads (Lakeside and Aughtie Drives) has resulted in most traffic only using one of those roads to travel through the park.
- The removal and replacement of road posts and chains has meant the earlier deterioration of that infrastructure.
- The work of planning of development within the park is severely restricted by the layout of the GP track, its grandstands and other facilities that it demands. Nothing can be done which will impact on those facilities.

- Some bird life in the park has gone since the GP began, never to return. Those that remain must be affected by the work around them and the race itself.

Imagine this:

What it would be like to go to an inner city park without the disruption of the erection, dismantling of infrastructure, in addition to the actual race. Imagine the benefits that thousands of people could enjoy for the full 12 months of the year.

Question: What is the motto of Parks Victoria shown on its cars, letterhead and website?

Answer: *"Healthy Parks Healthy People"*

Task: Go to the Parks Victoria website and read what this means and create a vision as to how Albert Park could look without the GP.

Note: School group visits to the GP represent tacit approval of what is essentially an environmentally destructive, wasteful and anti-social activity.

Lesson 4: Treatment of Women

Question: Which international sport portrays women in a degrading, one dimensional manner?

Answer: Formula One.

Note: The following is a quote from *'The Pits: the real world of Formula One'*, by Beverly Turner, (Atlantic Books, London 2005).

'F1 bosses are quite happy to give the sponsor liaison and PR jobs to women, along with the waitressing, cleaning, and being a broolly-dolly. This is surely the most demeaning of jobs: wearing tight skirts, broolly dollies stand on the grid at the start of a race shielding each driver from the sun with an umbrella.

The Australian Grand Prix boasts the highest percentage of bare flesh per driver. Promotional models walk the circuit handing out leaflets and posing for photos with punters'.

Note: This behaviour at the GP event cannot possibly provide positive examples for schoolchildren.

Lesson 5: Basic Arithmetic

Question: What is the most accurate method of calculating attendance at an event?

Answer: By actually counting the number of people who enter the venue.

Question: What is the cheapest and easiest method of achieving an accurate count?

Answer: By issuing each person with a barcoded ticket and scanning that ticket as the person enters the venue.

Question: How does the AGPC calculate its attendances during the race?

Answer: The answer is a "trade secret" which no-one outside the AGPC is allowed to know the details. The attendance figures that the AGPC release are **estimates** only, and based on ticket sales, visual evidence and assumptions.

Question: Who should be included in attendance figures?

Answer: Only those people who have been issued with tickets to view the race and other activities at the venue.

Hint: The AGPC includes in its estimated attendance figures all the people within the venue including actual spectators, event and catering staff and volunteers, police and security, race teams, members of the Corporation's own staff and are further padded out by adding free tickets issued as 'attending' whether they attend or not.

Question: What do you think of the method that the AGPC uses to calculate its attendances?

Answer: You have to be joking!

Notes:

- Save Albert Park's gate counts over seven years have indicated that these 'official' attendance figures overstate the number of actual spectators by over 45%, adding over 100,000 phantom attendees each year.
- All the other major sports in Melbourne have turnstiles and provide honest and accurate figures.

Lesson 6: Economics

Question: How do you calculate an economic benefit for any event?

Answer: By calculating the costs involved and also the benefits. The difference between the two figures indicates either an economic loss or a gain from the event.

Question: What is the difference between a cost-benefit analysis and an economic impact statement?

Answer: A cost-benefit analysis includes both the costs and the benefits, whereas the economic impact statement measures the economic activity generated by the event and adds in assumptions of money that Victorians may take out of the economy if the grand prix is not in Victoria.

Question: Which method does the AGPC and the Victorian Government use to try and convince taxpayers that the Australian GP is a benefit to the State?

Answer: The economic impact statement.

Notes:

- All Victorian governments and the AGPC have used studies that they have commissioned to claim that the GP has an economic benefit for Victoria. However these studies and reports are all based on economic impact and not on a cost-benefit analysis. One such report claimed an economic 'benefit' of \$174.8 million. This consultant's methodology was severely criticised in the Victorian Auditor-General's [report of 2007](#).
- Consultants hired for economic 'impact' studies emphasise their work is not to be used to determine whether the event is a worthwhile investment, it only measures the 'impact' or 'effect' on the economy, not whether it is a benefit. For example, the expenditure caused by a natural disaster would have an 'impact' on the economy as the government, corporations and individuals would have to spend extra money. It is therefore misleading for governments to claim an 'impact' as a net economic benefit.
- In 2007 the [Victorian Auditor-General](#) carried out an exhaustive cost-benefit analysis of the 2005 event and found that in fact there was not a net benefit from the event but an overall net economic loss to the state of \$6.7 million.

- The operational loss on the 2005 event was \$13.6 million, compared with annual operating losses now running at \$50 to \$60 million.
- A 2013 update of the Auditor-General's cost-benefit analysis has been undertaken by the independent [Economists at Large Pty Ltd](#). It found the 2011 GP caused a net economic loss to Victoria of \$51.7 million and the 2012 event was worse, with a \$60.5 million loss. It found the 2013 event reduced Victoria's welfare by \$54.3 million as that was the economic loss of that grand prix.
- A natural disaster can cause an economic impact but it does not give an economic benefit.

Question: Do other government agencies provide subsidies to the AGPC?

Answer: Of course they do.

Question: Are these subsidies hidden by the AGPC and the Victorian government?

Answer: Well of course they are.

Notes:

- Hidden from the Victorian Auditor-General's gaze there have been 'off balance sheet' business subsidies from other government departments over many years, such as State Treasury, TAC, VicRoads, Tourism Victoria, Parks Victoria the Victorian Major Events Company and the Department of State Development Business and Innovation.
- Although the total Victorian Government cash contribution for the F1GP now exceeds \$620m, [the hidden subsidies](#) are estimated to add a further 60% to that figure. This means the public may have lost one billion dollars on a car race on a temporary circuit with no permanent legacy for Victoria. Students could do their own opportunity cost exercise to check these figures and seek a better use for one billion dollars of public money.

Lesson 7: International Exposure

Question: What is the proper and ethical way of calculating a TV audience?

Answer: Have a totally independent reputable company which specialises in this work conduct the poll.

Question: How does the AGPC arrive at its figure for the TV audience for the Australian GP?

Answer: The figure is provided by the Formula One organisation operating out of London, UK. These figures cannot be confirmed.

Question: What does the Victorian government claim is the figure for the international audience for the Australian GP?

Answer: 450 million. (Massively exceeding any other major sporting event)

Hint: A review of the Formula One's own figures state this is the total for all GP races for the year and not solely for the Australian event.

Task: View this website for unsubstantiated TV viewing claims for the Australian GP:

<http://www.abc.net.au/news/2014-03-18/how-many-people-watch-the-australian-formula-one-grand-prix/5326138>

Notes:

- SAP calculates that the Australian GP has between 10-15 million worldwide live viewers based on its share of the reported total audience. This is based on the government's own report, listing the global

audience as 16m in 2008 and 20m in 2009, and a 2011 [article in The Economist](#), reduced for the ensuing years due to a drop off in Formula One's audience. The AGPC's CEO has claimed around 35m for live and delayed telecast but events are benchmarked on the live audience only. The AGPC's chairman contradicts his CEO with claims of 350m, through 500m to 600m for his race and 55 billion for a season! You can draw your own conclusion on those figures.

- An independent sporting ratings analyst, Kevin Alavy of Futures Sport and Entertainment predicted the following top sporting events for 2014:

FIFA World Cup Final –	350 million
UEFA Champions League Final –	170 million
Winter Olympics Opening Ceremony –	140 million
Super Bowl –	125 million
Winter Olympics Closing Ceremony –	80 million

(Note that the list does not include one of any of the GP races for the year.)

Question: Does the Victorian government and the AGPC claim that the Australian GP generates tourism worth millions of dollars for Victoria?

Answer: You guessed it, of course it does.

Note: The Auditor-General's [2007 report](#) stated that no evidence could be produced that the event has increased tourism to the state.

Lesson 8: Ethics and Business Deals

Scenario: Consider this.

- Person E is from Country E and is CEO of Company F.
- Company F is owned by different institutions with the major shareholder being a Bank in Country G.
- Person E wants the Bank to sell its shares in Company F to Company C for a particular amount and retain his position as CEO.
- Person G (who works for the Bank in Country G) assists with this sale and the deal is accomplished.
- However a few years later Person G is arrested and charged with corruption over the dealings with this sale.
- Person G was found guilty in Country G and was sentenced to jail for eight and a half years for accepting a bribe of \$44m from Person E to facilitate the sale.

Now you may think that as Person G was found guilty of a crime that Person E would also be guilty of involvement in that same crime. It took a while but Person E finally went to trial in Country G for that alleged involvement.

Now for the outcome: The court in Country G allowed Person E to pay for his freedom in relation to that case. In exchange for \$100m the trial ended with Person E being found neither guilty nor not guilty of involvement in bribery charge.

Question: What do you think of a legal system which allows such activities and court cases to be decided in such a manner?

Answer: Another case where “white collar crime” is treated differently to other crimes against society.

Question: What do you think of governments and organisations which have dealt with and negotiated with Person E over many years and continue to have dealings with Person E?

Answer: Hopefully you have neither confidence in nor respect for such governments, organisations or the individuals involved in any dealings with Person E.

Task: Research the case against Mr Bernie Ecclestone (CEO of F1) in charges that he made a bribe to Dr Gerhard Gribkowsky (a bank official in Germany) to enable shares in Formula One to be sold to private equity company CVC Capital Partners at less than their true value. Dr Gribkowsky is currently serving a jail term in Germany for accepting that bribe.

Note: The F1GP is advertised as being a glamorous, exciting event, but behind the scenes Formula One is recognised as a hard-nosed, money-making enterprise rather than a sport, and it is common knowledge that its revenues are largely directed into offshore tax havens.

Lesson 9: Misleading and Deceptive Conduct (now for some really interesting stuff, especially for you nerdy types)

Question: Can you think of any instances of misleading and deceptive conduct?

Answer: If you say you cannot, then you have not tried hard enough.

Question: What Australian law prohibits misleading and deceptive conduct?

Answer: The Competition and Consumer Act 2010.

Question: Whose activities does this Act cover?

Answer: The Act mainly covers corporations and governments (and their authorities) whose activities are considered to be engaged in business or commerce.

Question: Does this Act cover the activities of the AGPC?

Answer: Probably it does, but yet to be tested in court. (Note that in a VCAT case in 2007 the AGPC argued that it was a trading organisation in order to support its case at that time. Does that indicate it is carrying on a business?)

Task: Research for yourself the Competition and Consumer Act 2010, the activities covered and the remedies that may be applied. It is a large document, so just concentrate on the section dealing with misleading and deceptive conduct - Volume 3, Schedule 2, Part 2-1, section 18.

Question: Who administers the Competition and Consumer Act 2010?

Answer: Australian Competition and Consumer Commission (ACCC) which is funded through the Commonwealth government.

Note: SAP has approached the ACCC to investigate the claims of the AGPC. However, so far, the ACCC has refused to investigate this matter stating that the Victorian government should be tasked to investigate the activities of its own corporation.

Question: Do you think that the Victorian government has seriously investigated any of the claims made by the AGPC?

Answer: Not in the past 20 years or more since the inception of the AGPC.

Question: What other avenues are there for voters to take action if they are aggrieved?

Answer: There are a few, including the following:

- Action a Freedom of Information (FOI) on the relevant government department or authority.
- Request a review of decisions and actions by government departments and authorities by the ombudsman.
- Make application through the Victorian Civil and Administrative Tribunal (VCAT) for a review of the information provided or not provided through an FOI to a government department or authority.
- If the action is against a media outlet, then seek a review and decision by the Australian Press Council (APC) or the Australian Communications and Media Authority (ACMA).

For those of you who are interested in these matters, and who wouldn't be, here is some more information:

Note: There are limitations on each of the above possible actions to be taken, and some of these are listed below:

- **FOI.** Requests need to be carefully worded and addressed to the correct department or authority. You need to be aware that the office receiving the FOI request will hold the information sought and that the request is clear and concise as to the details requested. Be prepared for information not to be released on grounds of commercial-in-confidence or not being in the public interest.
- **Ombudsman.** This could be good news at last. The AGPC published its attendance figures as fact until an investigation by the Victorian Ombudsman in 2006 established that the AGPC's figures are in fact only estimated. However the reporting of attendance figures still needs to be constantly checked to ensure that the media still state attendance as estimated.
- **VCAT.** Although established to make it easier for a party to seek redress for what it considers is a wrong decision, VCAT is governed by legal processes. In some cases parties can represent themselves before the judge, but in others where legal arguments are involved then a legal representative would be suggested. Legal precedence (based on decisions of previous cases) is taken into account. Legal costs can also be incurred if lawyers are involved.
- **APC.** Again some good news. In 2011 and 2012 - after complaints from SAP to the APC - adjudications by the Press Council on specific reports in The Age and the Herald Sun showed that GP attendance and other claims of the grand prix corporation are "*strongly contested in detailed analyses from other sources*" and the GP's figures are of "*doubtful accuracy.*" However, if newspapers do issue a correction or an apology as such for incorrect reporting, then look for this in an obscure section of the newspaper.

Question: If there are so many limitations and barriers for unmasking the truth and seeking remedies, what other options are there?

Answer: There are some and they involve a lot of work and dedication. They include:

- A public campaign. I am sure that you would have seen some of these types of campaigns in the news both in Australia and overseas. They would include rallies for and against government policies and decisions. Do you know of any recent campaigns?
- Make your arguments in the media – newspapers (letters to the editor), radio and television. Also, over the past few years there have been successful campaigns on social media – Facebook and Twitter.
- If you are lucky, or some would say honest and truthful, you can get the support of media people who report the facts of your case.

Task: Read Greg Baum's 2008 article on the GP schools program - one of the articles that won him a Walkley Award: <http://www.theage.com.au/news/motorsport/plucking-figures-from-thin-choking-air/2008/03/14/1205472087186.html?page=2>

Tasks: If you are really interested in all this stuff, you can check out the following websites:

- www.foi.vic.gov.au
- www.ombudsman.vic.gov.au
- www.vcat.vic.gov.au
- www.presscouncil.org.au or <http://www.acma.gov.au/>

Notes:

- Premier Napthine claimed the Australian grand prix will be watched by 450 million viewers but the ABC's fact check unit found this is an unsubstantiated claim and the real audience is likely to be only four per cent to 11 per cent of that claimed by the premier.
- "*Victorian taxpayers would not be asked to meet the cost of the event, with the State Government only prepared to act as guarantor for loans required to establish the race.*" This is a quote from The Hon Jeff Kennett, Premier of Victoria, in the Herald Sun, 18 December 1993.

Association with the Victorian Curriculum and Assessment Authority

In its 2006 Annual Report, the AGPC stated that its 'Education in Motor Sport Program' was developed in association with the Victorian Curriculum and Assessment Authority (VCAA). In March 2007 SAP was advised by the VCAA as follows: *'The VCAA has no formal association with the Education in Motor Sport Program, nor does it endorse the program or its activities.'*

Conclusion

The above examples relate to important basic facts and cast doubt on the credibility of any 'educational' material issued through the AGPC's schools program.

The AGPC has a stated aim to "maximise attendances at the events" (ie for the F1GP and the Moto GP). In his 2002 annual report the Corporation's chairman Mr. Ronald Walker stated, "*The success of the event is not only measured by its financial result, but also by its acceptance by the Australian public, in particular, Melburnians.*"

There is no doubt that many school children would enjoy a visit to the GP but, as the main purpose of the program is to boost attendance figures and to get students hooked, it does appear to be a misuse of normal school time.

Thank you for your attention and although class is dismissed you are encouraged to investigate all claims further. It is time to have the Australian Grand Prix dismissed from Albert Park.