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The grand prix: show us the benefits Louise!

Louise Asher, Minister for major events, claims that despite the \$56.65 loss on the 2012 grand prix (which brings the total operating losses on the event since 1996 to \$357 million) the race “still has major benefits for Melbourne through global branding and tourism.”

Save Albert Park asks:

What exactly are these benefits, and who gets them Louise?

We understand that ‘global branding’ is supposed to be created through international TV and print media coverage of the event, but what does it do for the citizens of Victoria?

Here are the facts:

In 2007, the Victorian Auditor-General conducted a comprehensive cost-benefit analysis of the ‘benchmark’ 2005 grand prix. He found that the event was a net economic loser for Victoria. No evidence was found of any benefits from this ‘branding’ phenomenon; no new business opportunities were created, no additional tourists were attracted.

Since 2005 the economic and financial losses on the grand prix have increased year by year. The cost of staging the event has increased by 25% and revenue from ticket sales and sponsorship has fallen by 38%.

Louise Asher would have us believe that the benefits from global branding outweigh the catastrophic financial and economic losses on this event.

In fact, the benefits from global branding are just an illusion. While a huge value has been claimed for the TV and print media coverage of the event, there is no evidence whatever that this exposure produces any positive outcomes for Victoria.

Instead of benefits, ‘global branding’ creates a damaging negative image: that we are the sort of people who hold their public parkland in such low regard that we use it for motor racing.

For more information: Peter Logan (0412 697 074). Visit the Save Albert Park website www.save-albert-park.org.au for the fact sheet: ‘Every major claim about the grand prix is false or misleading’.