

Save Albert Park Inc. No. A0040971

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The Grand Prix 'only' lost \$61million this year

Should Victorians be happy the grand prix 'only' lost \$61 million this year? Should we ask what did it for the Victorian economy?

The answer is it probably caused a net economic loss of around \$60m because that is what the updates to our Auditor-General's cost benefit analysis estimated.

We say Victorians should be alarmed because we have now contributed **\$764.757** million in cash to the grand prix since Jeff Kennett 'won' the event. In December 1993 Kennett said: **"The 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 was a billion dollar time bomb because Victorian taxpayers have covered the losses of this event as well as the ever growing interest on the grand prix debt burden through the Victorian Treasury.

ALP and Liberal governments have shown they have no head for business but have a good grasp of 'major events mathematics'. They have claimed the event has hundreds of millions of viewers when the real global audience is only 10 to 15 million. They have said it causes an economic "benefit" when their hired economists say it causes an economic "impact". The Auditor-Generals tell them "impact" is not "benefit". A bushfire or a grand prix causes an economic "impact" but neither brings a "benefit".

Apparently our Premiers see Melbourne's parks as valueless, rather than an important contribution to our city's liveability awards.

How many billions of our money will this event lose before our Premiers stop throwing our money at a failed business? For how many years will they irresponsibly ignore the Victorian Auditor-General and independent economists' findings that the Grand Prix is an economic loser for Victoria? With many extra hidden subsidies the sunk cost already exceeds one billion dollars, so when will our politicians call enough?

<http://www.save-albert-park.org.au/>

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