

Public interest statement

For the following reasons, it is maintained that it is in the public interest for the Australian Grand Prix Corporation (AGPC) to reveal the method it employs to compile its estimates of attendance at the F1 grand prix event, and that this overrides the AGPC's objections to releasing the information sought.

The Formula One grand prix is a major event which has aroused major controversy because it is publicly funded and is losing money at the rate of around \$60 million a year at a time when severe cuts are being made to the funding of public services. It has been proved to produce not only an operating loss, but also a heavy net economic loss.

It also has a significant negative environmental and social impact on residents (noise and traffic disruption), park users (the park is a construction site for one third of every year) and on sports clubs (loss of grounds for up to three months).

Attendance is an indicator of the prestige, public acceptance and support for the event, and is an important factor in assessing its economic value. The public and the Victorian Parliament have the right to know whether the attendance figures issued by the Australian Grand Prix Corporation are being accurately determined.

Financial cost to the Victorian public

The grand prix event is heavily dependent on public funding, as ticket sales and sponsorships only cover about 35% of the costs. The government also provides the venue, Albert Park Reserve, at relatively little or no cost. (The Australian Grands Prix Act 1994 states that payment for the use of the park shall be 'of such amount, not exceeding \$100,000'.)

Accumulated circuit establishment costs and operating losses since 1996 now exceed \$440 million.

The combined operational losses from the 2011 and 2012 grand prix events exceed \$106 million and if the grand prix event continues through to 2015, the trends are that operational losses over the 2011-2015 contract period will surpass \$300 million.

Economic cost

In 2007, the Victorian Auditor-General determined that the 2005 grand prix (a so called 'hallmark' event in terms of attendance and revenue) produced an economic loss of \$6.7 million. Since 2005, costs have risen, sales revenue has fallen and increasing economic losses have occurred.

Expert advice has been obtained regarding the economic effect of the 2011 and 2012 grand prix events, which indicates that these events produced overall net economic losses to the Victorian economy of \$51.7 million and \$60.5 million respectively.

'Value' of the event

Negotiations for continuation of the contract may begin during 2013. The minister for major events has stated that the event has to represent 'value for money', and for this to be established it is essential that the real facts relating to the event are known to government and the public.

Attendance numbers lead to the calculation of patronage (ie, the number of individual paying spectators) which is a critical factor in determining the event's economic impact (ie., the spending by visitors). Attendance numbers are therefore not only an indicator of the prestige and popularity of the event, but are an important factor in assessing its economic value. It is essential

that economists charged with assessing the economic effects of the event have access to accurate data.

Promotional and 'branding' benefits for Melbourne and Victoria are claimed to outweigh financial and economic losses, but no evidence has ever been produced to show that these benefits (such as increased tourism and business opportunities) actually exist. Due to the lack of such evidence, the Auditor-General's 2007 cost benefit analysis was unable to assign any value to these benefits.

The AGPC has stated that revealing the method of estimating attendances will disadvantage it in its competition for the 'discretionary spending dollars' of Victorian patrons. Considering the demographics of the event, it is maintained that this is unlikely to be the case.

It is maintained that the main effect of revealing the method of estimating attendances would be to show the event patronage to be far lower than that indicated by the AGPC estimates. This could cause loss of sponsors and corporate supporters, thus increasing operating losses, and might lead to the abandonment of the event by the government. From the point of view of the Victorian public, this would be a highly beneficial outcome, freeing up many millions of dollars for redirection to essential public services such as health and education.

'Purity of Administration'

It is understood that the 'purity of administration' of a government agency can be a factor in determining whether a public interest override applies in a freedom of information matter. Relevant to the current matter are the 'qualifications' of the AGPC to make statements which can be believed.

Evidence will be presented to show that the AGPC has repeatedly issued statements which are misleading, not only regarding attendances at the grand prix, but also regarding the economic benefit of the event and its international audience. It will be shown that the AGPC has a history of making misleading and deceptive claims, and that its defence of the refusal to release the information sought should be disregarded.

Interpretation of the FoI Act

It has been noted that the tribunal's decision in the Save Albert Park vs AGPC case in 2007-8 (Ref No. G367/2007) was governed by an interpretation of the wording of Section 50(4) of the FoI Act, viz:

'.....where the Tribunal is of the opinion that the public interest requires that access to the document should be granted under this Act.'

In coming to its decision in the 2007-8 case, the Tribunal used a specific interpretation of the wording established in the Osland case. In the present case, the Tribunal may use the same interpretation, ie 'requires' means 'necessitates' and it is maintained that the public interest does in fact necessitate release of the information.

Conclusion

A lasting legacy of Queensland's 1989 Fitzgerald Inquiry was a timeless warning, which applies to this VCAT case.

Secrecy and propaganda are the major impediments to accountability, which is a prerequisite for the proper functioning of the political process. Worse, they are the hallmarks of a diversion of power from the Parliament.

Information is the linchpin of the political process. Knowledge is quite literally, power. If the public is not informed, it cannot take part in the political process with any real effect.

Submitted on behalf of Joan Logan,

Peter Goad, President, Save Albert Park Inc., March 8, 2013