

Formula One and Supercars play the same ‘major events’ con game.

There are various definitions of a ‘con’, but it’s generally agreed it means a confidence trick, a fraud, a swindle, carried out usually with the intention of deceiving people for financial gain. That describes the strategies employed by both Formula One and Supercars in persuading the Victorian and NSW state governments to not only use public funds to pay substantial race licence fees, but also provide temporary race tracks located in inner city streets and public parkland.

A new book [‘Wrong Track: what drove the Supercars to Newcastle’](#), was launched on March 2. It was written by a retired academic Christine Everingham, and a former Greens city councillor, Therese Doyle, and it tells the Newcastle Supercars story in detail. The introduction states: *“When deals between government and private corporations are conducted in secrecy and rely on what we aim to show are deliberately deceptive and misleading claims for their justification, collusion becomes a reality. With the city signed up for possibly ten years of Supercars, this book seeks to expose the underlying confidence trick that was pulled on the city of Newcastle.”*

What emerges from reading the book are the parallels with the Melbourne grand prix, including:

- a state-imposed ‘major event’,
- a secret deal between the race promoter and the state government,
- inner city public space/parkland converted into a car race track,
- no prior public consultation,
- promises that the event would bring forward much-needed ‘upgrading’ of community amenities.
- promises of economic benefit to local businesses and increased tourism.

Save Albert Park has spent the last 25 years exposing the Melbourne F1 grand prix confidence trick in its newsletters, fact sheets and media releases. There is a book that could, and should, be written about this event, as an important public service. The Canadian academic Mark Lowes, started to write such a book in the early 2000’s, but did not complete the work.

How motorsport major events ‘manufacture’ success

Major events have a particular appeal to governments. They are used ostensibly as a means of marketing the city as a tourism destination and a good place to establish a new business. However, top-ranking major events are hard to find, with strong competition from around the world.

Individual F1 grand prix and Supercars races hardly qualify as major events, but they can be presented as such to governments and the people they represent. These races offer advantages to both governments and the race promoters. Governments can claim that by funding the event they are doing something significant to help the economy, while the race promoters get handsomely paid to stage their races and are provided with free circuits in prime inner city streets and parkland, ideal for attracting sponsors. The situation is perfect for collusion between the two parties to hatch a confidence trick on an unsuspecting and trusting public.

To achieve their ends, the two parties use processes and strategies, listed below, that have been gleaned from SAP’s research on the F1 grand prix over 25 years, and the information provided in ‘Wrong track’, the new book on the Newcastle Supercars races.

1. **Secrecy is a key factor:** Establish a business partnership between the government and the race promoter that requires secrecy and commercial-in-confidence provisions in the race contract.
2. **No public consultation** to be undertaken before the race contract is announced.
3. **No business case** to be carried out, as the finding is likely to be unfavourable.
4. **Keep repeating the statement that the event will put the city/state on the world stage,** hundreds of millions will watch the race on TV, and spending by race visitors will create an economic bonanza.
5. **‘Upgrading’:** the government to state that the event will mean the bringing forward much needed ‘upgrading’ of community amenities.
6. **The government to pass legislation** which exempts the event from any existing planning, public health, environmental or heritage laws, and provides legal protection against death/injury/damage claims.

7. **Instead of commissioning a business case** (including a cost benefit analysis) the government to carry out 'economic impact' assessments which estimate the 'new money' brought in by race visitors, but ignore costs and conceal the underlying economic loss.
8. **No attempt to be made to count the actual spectators** using turnstiles or ticket scanners; instead, report estimates of 'attendees' (see later re Supercars attendance estimates.)
9. **Accept sponsorships from any quarter:** Big Tobacco, alcohol, coal mining, high priced luxury gas guzzling cars, gambling, all OK.
10. **Financial reports:** Be careful about what is said in audited annual reports; eg., report operating losses as 'government investment'
11. **Offer free tickets to school kids**, and provide educational experiences for them; they are the race fans of the future.
12. **Glamour and partying:** watching cars go round and round is boring, so emphasise that the event is really all about glamour, parties and mixing with pretty people.

Reporting of attendance at the 2017 Newcastle 500 Supercars event:

(extracts from 'Wrong Track', pages 123 and 24)

So just how does Supercars estimate its official attendance figures? The actual reported attendance figures are based on tickets 'issued', that is sold and given away to accredited people, who are counted whether they attend or not, and are counted three times, as if all these ticket holders attend each day.

There were many thousands of additional free tickets given out there were over 2000 residents given two free tickets each (that is six tickets over the three day event) as part of their accreditation to access their own homes during the event and receive a parking space. These residents were also given two more free tickets for every bedroom they had (that is six tickets for every bedroom over the three day event). Residents tickets added 23,988 to the final count of 192, 241.

There was also the schools program, where 30 busloads of school children, given free tickets, added 3429 to the final count. Children 12 years and under added another 6364. Food vendors and merchandisers accounted for 4,244 attendees. Another 6468 comprised those competing in the event and their support teams and officials. Media and Supercar staff accounted for 705.

A group of unidentified people benefiting from 'internal tickets' added 25,299 to the count and unspecified 'business accredited' tickets added another 6,377. It is unknown how many of these free ticket holders actually attended the event or for how many days, yet they comprised 58.2% of Supercars ticket holders.

The other important question to ask is how many of those attending the event can actually be considered a tourist, ready to spend up big in the city? In its FAST FACTS sheet, Supercars estimated 150,000 spectators would converge on the city for the three day event, implying that this many people would come from outside the city. After the event, Supercars claimed that the figure was even higher, 192,000.

As it turned out, Supercars own post event count of interstate and overseas visitors was only 9694, of which only 1435 paid for their own ticket.

Interestingly, while the media immediately after the event extolled the official attendance figures as spectators "passing through the turnstiles", the term disappeared from future articles reporting the race, to be replaced by "official aggregate crowd".

Legislating against protest

(Extracts from 'Wrong Track', pages 6 and 7)

The Supercars 500 could not have happened in Newcastle without the enactment of a special Act of parliament to remove all possible obstacles that might impede it.

The proposal for the event was approved by the City of Newcastle in July 2016, but by the end of the year it became

apparent to the event promoters, namely Supercars and DestinationNSW - the government agency concerned with facilitating major events on behalf of the NSW government

- that special legislation would have to be passed through the NSW state parliament if the event was to be located in the East End of Newcastle. The East End presented too many obstacles, especially

the fragile nature of the heritage buildings and the narrow historical streets lined with sandstone kerbing that would have to be widened. A new road would have to be built through the State heritage listed Coal River Precinct and the award-winning Foreshore Park would have to be reconfigured.

How were these problems to be overcome? To answer this we have to take a brief look at the history and politics of motor racing events in Australia.

In 1994 the Premier of Victoria, Jeff Kennett, wanted to 'wrest' the Grand Prix motor racing event from Adelaide (where it had run for 11 years) and relocate it to Melbourne's Albert Park. Melburnians would love it, he proclaimed, and the event would bring untold benefits to the city. The only problem was that the proposed race circuit was to be built in a much loved and utilised public park, complete with sporting ovals. Over 1000 trees would have to be cut down. All this was protected by law.

In what was a political coup for him, Kennett used a special Act of parliament to override existing legislation to allow such a development to occur. This was a turning point in the history of motor racing in this country.

The Act opened the door to politicians, in partnerships with corporate interests, to bypass all protective heritage and environmental legislation governing invasive developments and even bypass possible legal challenges in the Supreme Court. These laws also meant avoiding meaningful consultation with the affected community and all proper planning procedures. A new chapter in the fight for open space had begun. The *Australian Grand Prix Act 1994* created the state-owned

Australian Grand Prix Corporation (AGPC) to control the Grand Prix motor racing event and establish the legal framework for the siting of the event in Melbourne's Albert Park. As Mark Lowes stated (2004, *Society and Leisure*, 27, no.1:69-88): *This legislation essentially grants extraordinary powers to the AGPC; limits the jurisdiction of the state Supreme Court; prohibits certain common law actions; and excludes the operation of planning, environmental and other laws. It also serves to protect the government and the event promoter from public scrutiny.*