

## **V8 SUPERCAR EVENT**

The WA Sporting Car Club is disappointed that V8 Supercars have made a decision not to come to Perth this year. What is more disappointing is that this was announced on Monday 8<sup>th</sup> despite the V8s imposed deadline of Tuesday 9<sup>th</sup> 1:00 PM Queensland time, and the fact that we have still not been formally advised by V8Supercars as of 9am Saturday 13<sup>th</sup> February 2010.

“The main area of concern for the WASCC was a requirement to lock into a five year agreement. As each year has passed, the business case for the V8’s is becoming increasingly marginal. General Manager of the WASCC, Peter Thornell stated “The June long weekend was always going to be a big ask, given the number of other motor sport events on over that weekend! ,and this is in addition to the requirement for us to run two V8 events (and pay huge V8 sanction fees of more than \$ 1 Million within the seven months of the two events). Nearly all of our corporate clientele only budget for a once in a financial year V8 Supercar event.

Mr Thornell further outlined the following:

- The V8s offer of assistance to help out with our upgrade and new track - as late as last week our consultants (GHD) were in Queensland in an attempt to work with the V8’s, so as to ascertain what they required to improve the in-field. We were disappointed that we had to rely on the State Government to follow up on offers that were made by the V8’s last November. These promises of assistance have not materialised. These improvements were supposedly to be in place for the 2011 V8 event.
- It would be commercially irresponsible for the WASCC to accept the terms of the sanctioning agreement that the V8’s were demanding. The WASCC has made it clear that they can only commit to a deal that is in best interests of the club membership, a position supported by the State Government.
- While the V8’s have stated they have reduced the sanction fee in 2010, that fee would almost double (plus 90 %) over the 5 year agreement. An increase that is difficult to justify, given the V8’s have not committed to the minimum number of support events they would include in the program. Based on the recent evidence i.e. number of competing teams/cars, attendance and subsequent falling revenues, there is no business case that can support the financial commitment that the club would have to make.

We feel these demands would put the club at great risk of incurring significant financial losses. This would not be in the best interests of our members or for motorsport in Western Australia.

- It is the wider implication that risking a large amount of our club finances would create. To promote an event, which in recent years has been shrinking and the growing uncertainty going forward does little to build confidence in a five year V8 future! In the last year alone, we have witnessed the dramatic drop in attendance numbers. In 2008 we had around 65,000 attendees, sadly in 2009 this has plummeted to around 32,500. Further to this, we again witness the drop in V8 teams and cars competing, down to just 28 cars as listed this week on the V8 Supercar website. This is all further compounded by lack of V8 visiting support categories, the 2008 event had our spectators enjoying, many more categories like the V8 utes, the Australian Formula Ford Championship, Australian Porsche Carrera cup, just to name a few. In 2009 we were to see just 14 Minis as the V8 support act.
- V8 Drivers love our track, they love coming to Perth, and it is extremely disappointing that an Eastern States company had made a decision to remove Barbagallo from their calendar. Even more disappointing is the fact that this was done before their own imposed deadline and while the WASCC was still in discussion with them. It is apparent they simply have been paying us lip service only!
- We had even taken the initiative to offer the V8's the opportunity to run the event themselves (as they do in some other States), on the same terms they wanted us to commit to. They found this to be unacceptable.

The State Government has been wonderful in assisting us, as the V8' meeting is merely one event per year on the Barbagallo Raceway calendar and, while some will say it is a big event – our focus is on developing motorsport in this State and attracting new and exciting opportunities, including the upgrade of facilities for use by the sport.

WASCC has not approached the State for funding. Specifically for the V8 events. We do not think it is appropriate to do so.

The WA State Government has a strong commitment to motorsport demonstrated by the recent \$5 million commitment to upgrade facilities at Barbagallo Raceway and the adoption of a longer-term plan for the facility.

The V8 Supercar Championship Series is a popular event that we would all like to see continued in WA but on reasonable terms.

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