

2023 Australian Motorcycle Grand Prix

Economic Impact Assessment

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8 August 2024

Economic Impact Assessment of the 2023 Australian Motorcycle Grand Prix

In accordance with the procedures set out in our Proposal dated 12 October 2023 and letter of engagement dated 13 October 2023, Ernst and Young ("we" or "EY") has been engaged by Australian Grand Prix Corporation (AGPC) ("you" or "client") to undertake an economic impact analysis of the 2023 Australian Motorcycle Grand Prix ("Event"). The enclosed report (the "Report") sets out the outcomes of our work. You should read the Report in its entirety. A reference to the report includes any part of the Report.

We understand that the deliverable by EY will be used for the purpose of demonstrating the economic impact of the 2023 Australian Motorcycle Grand Prix (the "Purpose"). This Report was prepared on the specific instructions of undertaking an economic impact analysis. It does not include a full cost benefit analysis of the event as this was not part of the agreed scope

Our conclusions are based, in part, on the assumptions stated and on information provided by the Australian Grand Prix Corporation (AGPC) and other information sources used during the course of the engagement. The modelled outcomes are contingent on the survey data collected at the 2023 event and collection of assumptions as agreed with the AGPC and DJSIR. No consideration of other market events, announcements or other changing circumstances are reflected in this Report.

Thank you to both the AGPC and the Department of Jobs, Skills, Industry and Regions teams for your assistance during the delivery of our work. If you would like to clarify any aspect of this Report or discuss other related matters, then please do not hesitate to contact me.

Yours sincerely



Matthew Lumb
Associate Partner

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Executive Summary



1 Executive summary

The 2023 Australian MotoGP is estimated to have generated \$29.4 million in direct expenditure for the Victorian economy, increased Gross State Product by \$54.6 million and supported 284 full-time equivalent jobs.

Summary

- The 2023 Australian MotoGP hosted in Philip Island drew an official gross attendance of 71,387¹.
- In October 2023, AGPC engaged EY to independently assess the impact of the 2023 Australian MotoGP to Victoria. The methodology used for this study has been applied by EY in numerous assessments of major sporting and cultural events and is accepted by major event bodies and government departments across Australia.
- The event is estimated to have delivered a total economic impact of \$54.6m, including \$29.4m in direct expenditure and supported 284 jobs.
- For every dollar of Victorian State Government operational investment into the event, the 2023 Australian MotoGP event generated an estimated \$2.60 in economic impact to Victoria.²
- A summary of the key findings of the impact of the event on Victoria is provided below.

Gross and Unique Attendance

Gross event attendance was 71,387 over the three-day event. Interstate specific and extended visitation was approximately 20,350 (comprising of 6,618 international visitors and 13,732 interstate visitors).³

Total unique specific and extended stay to Victoria



The event attracted an estimated 20,350 unique specific and extended (S&E) stay visitors to Victoria (i.e., unique individuals who specifically came to or extended their stay in Victoria because of the event)

Economic Impact of the 2023 Australian MotoGP

Based on our analysis, the 2023 Australian MotoGP is estimated to have generated \$29.4 million in direct expenditure for the Victorian economy, increased Gross State Product by \$54.6 million and supported 284 full-time equivalent jobs.

Economic impact of the 2023 Australian MotoGP

Direct expenditure	\$29.4 million
Increase in GSP ⁴	\$54.6 million
Total FTE Jobs	284

Return on Government Investment

The 2023 event received government operational support. While this report has not undertaken a full cost benefit analysis of the event, the ratio of Government operational support to economic impact (\$54.6 m in GSP) demonstrates a continued return on investment for Government.

“ For every dollar of Victorian State Government investment, the Event generated an estimated \$2.60 in economic impact to Victoria.⁵

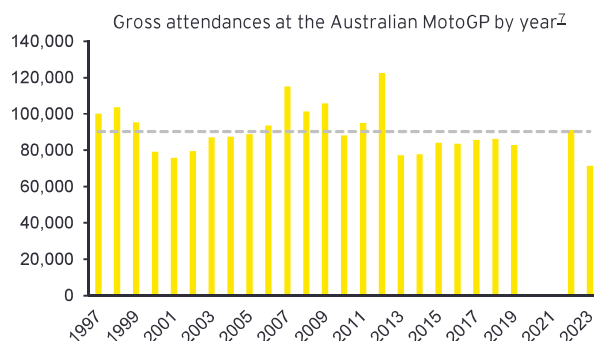


1 Executive summary

The 2023 Australian MotoGP is estimated to have contributed to the branding value of Victoria as a tourism destination, the attraction of additional major events to Victoria, and increased trade and investment opportunities in Victoria.

History of the Australian MotoGP

The first Australian MotoGP was held at the Phillip Island Grand Prix Circuit in 1989. The Event was lost to Eastern Creek Raceway in 1991, which was newly built by the NSW Government at the time, before it returned to Phillip Island in 1997 where it has since remained.⁶



Over the years, the Australian MotoGP has become a key feature of Victoria's major events calendar, attracting fans from all over the world. The graph to the left shows the gross attendances at the Australian MotoGP between 1997 and 2023. Excluding the 2020 and 2021 events which were cancelled due to the COVID-19 pandemic, the average gross attendance since 1997 was 90,344. This number peaked in 2012 at 122,470 when Queenslander Casey Stoner won his sixth consecutive Australian MotoGP in his final year on the circuit.⁸

2023 Australian MotoGP

The 2023 Australian MotoGP was heavily impacted by severe weather conditions, with Dorna Sports (the MotoGP commercial and television rights holder) forced to bring forward the main race from its traditional

Sunday timeslot to Saturday's schedule. The race took place without incident, with Frenchman Johann Zarco emerging as a first-time premier class winner.⁹

Safety concerns due to the weather forced the sprint race to be cancelled (originally scheduled for Sunday after swapping places with the main race). This decision came after a chaotic Moto2 race on Sunday morning which was red-flagged after just nine of 23 laps completed in wet and windy conditions.¹⁰

Despite these last-minute scheduling changes, the gross official estimate attendance at the Event was 71,387. The number of unique attendees (i.e., accounting for people who attended the Event on more than one day) was 43,784. This included 36,186 unique spectators (1,601 of which camped on-site) and 7,598 unique accredited persons.¹¹

The Event featured off-track entertainment options for spectators, including:¹²

- A Fan Forum Stage where riders were interviewed throughout the weekend
- A Hero Walk where they were able to get up close and personal with their racing heroes
- Numerous food trucks and dining options
- A GP Expo showcasing all things motorcycles
- Live music performances
- A Family Zone featuring lawn games, outdoor activities and activations.

Social Impacts of the 2023 Australian MotoGP

In addition to these potential economic benefits, the 2023 Australian MotoGP provided a host of social benefits to the Victorian economy, including:

- Increased participation in motorsport

- Volunteerism
- Global exposure of Victoria as a destination for tourism and major sporting events through engagement with online, print, TV and radio media.

“There were 10,301 media coverage sources of the 2023 Australian MotoGP globally, generating an Advertising Value Equivalency (AVE) of \$37.1 million for the State.

By showcasing Victoria's offerings, this coverage may have directly and indirectly contributed to:

- Branding value for Victoria as a tourism destination
- The attraction of additional major events to Victoria
- Increased trade and investment opportunities in Victoria.

1. Data provided by AGPC

2. Ibid

3. AGPC data and the 2023 Intercept survey results

4. Gross State Product (GSP) is the market value of goods and services produced within a state after deducting the cost of goods and services used. For the purpose of this assessment GSP is estimated by multiplying the expenditure by the Victorian Government's General Input-Output Multiplier.

5. Based on the MotoGP profit and loss statement provided by AGPC.

6. <https://www.phillipislandcircuit.com.au/circuit-info/history/>

7. Data provide by AGPC

8. <https://autoaction.com.au/2023/10/18/strong-crowd-tipped-for-aussie-motogp>

9. <https://au.motorsport.com/motogp/news/sprint-race-cancelled-phillip-island/10536083/>

10. <https://au.motorsport.com/motogp/news/sprint-race-cancelled-phillip-island/10536083/>

11. Data provided by AGPC

12. Ibid

2 Approach



2 Approach

The economic impact assessment measures the changes to the economic base of Victoria attributed to the event.

Economic impact on Victoria

EY assessed the potential economic impact of the Australian MotoGP event on the state of Victoria. The assessment measured the changes to the economic base of Victoria that potentially can be directly attributed to the event.

Gross and unique attendance at the 2023 event

Ticket data was provided by Ticketmaster. This data was grouped by:

- The type of ticket purchased (i.e., general admission, grandstand, corporate hospitality)
- The duration of ticket admission (i.e., single-day, multi-day)
- The origin of the ticket purchaser (i.e., Bass Coast Shire, intrastate, interstate, overseas)

Data on the number and origin of accredited persons (i.e., competitors & team personnel, Dorna Sports and International Road Race Teams' Association (IRTA) personnel, media, officials, suppliers & contractors) was provided by AGPC.

Direct expenditure

The direct impact captures the increase in direct spending in Victoria attributable to the event. The potential direct impact estimate is based on the following:

1. **Visitor expenditure** from specific and extended stay interstate and overseas visitors (excluding ticket expenditure, which is captured in event operations impact below). This is comprised of:
 - The total number of interstate and overseas specific and extended stay visitors including spectators, teams, officials, media and other attendees (e.g., volunteers, event staff)
 - The average length of stay of these attendees
 - The average daily expenditure of these attendees (excluding ticket expenditure)

2. **Event operations impact**, which is the net impact of AGPC's incremental operating revenues (including ticket revenue) less the imported component of operations.

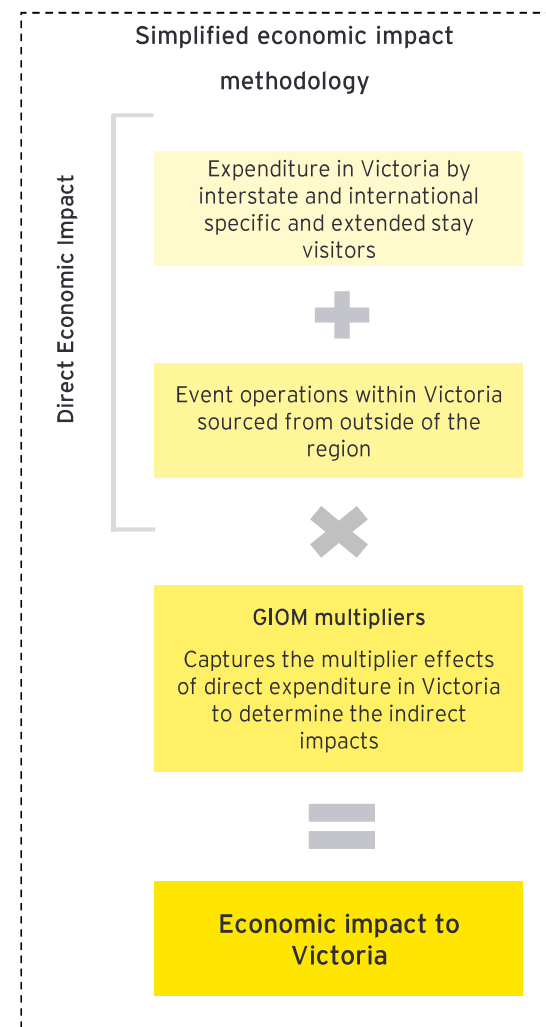
This data was collected from various sources, including an event intercept survey undertaken by EY Sweeney at the 2023 event and data from AGPC. The 2023 event intercept survey collected data on visitor origins, whether these visitors specifically came to or extended their stay in Victoria because of the event, the number of accompanying persons they brought, their length of stay, their daily expenditure and their satisfaction with the event.

Total economic impact

Direct expenditure produces additional (indirect) rounds of expenditure and income generation. For example, additional money spent at restaurants is allocated between the additional material inputs (such as food and drink), wages, and profits of the proprietor. Wages spent by the employees for example, on household items, circulates money throughout a broader section of the economy creating indirect benefits. To estimate these potential indirect benefits, EY used the Victorian Government's General Input-Output Multiplier (GIOM). The GIOM utilises the national input-output tables and is based on all industries in the economy.

Full-time equivalent (FTE) employment

To estimate the potential employment impact, EY conducted an Input-Output (IO) multiplier analysis (IO multipliers supplied by [REMPLAN](#)).





3 Economic impact of the 2023 Australian MotoGP

3 Economic impact of the 2023 MotoGP

The 2023 Australian MotoGP is estimated to have potentially generated \$29.4 million in direct expenditure for the Victorian economy, increased Gross State Product by \$54.6 million and supported 284 full-time equivalent jobs.

“*For every dollar of Victorian State Government operational investment into the event, the 2023 Australian MotoGP Event generated an estimated \$2.60 in economic impact to Victoria.*¹

Summary of economic benefits of the MotoGP 2023 Event

The 2023 Australian MotoGP had a gross attendance of 71,387 and is estimated to have delivered the following potential economic impacts to Victoria:

Estimated potential economic impact of the 2023 Australian MotoGP²

\$29.4 million Direct expenditure	\$54.6 million Increase in GSP	284 Jobs (FTE)
Spectators - \$19.4 m Accredited persons - \$5.0 m Event operations - \$5.0 m	Estimated using the Victorian Government's General Input- Output Multiplier (GIOM)	Direct jobs - 158 Indirect jobs - 126

- **\$29.4 million** of direct expenditure, including:
 - \$24.4 million in direct expenditure from specific and extended stay interstate and international visitors (excluding ticket expenditure). This is largely comprised of spend on accommodation, food and beverages, general retail and transport.
 - \$5.0 million in event operations impact. This represents the portion of AGPC's total expenditure (on Victorian suppliers) that remains in the State and is funded by revenue sources from outside Victoria (e.g., ticket sales to interstate and overseas attendees).
- **\$54.6 million** increase in Gross State Product (GSP). GSP, also referred to as direct and indirect value add, is the market value of goods and services produced within a state, after deducting the cost of goods and services used. For the purposes of this assessment, GSP is estimated by applying the Victorian Government's GIOM to the potential direct expenditure elements noted above.
- **284 full-time equivalent jobs**, including 158 direct jobs and 126 indirect jobs.

Total unique specific and extended stay interstate and overseas visitors to Victoria

The event attracted an estimated 71,387 gross attendance and 20,350 unique specific and extended (S&E) stay visitors to Victoria³ (i.e., unique individuals who specifically came to or extended their stay in Victoria because of the event)



¹ Based on the 2023 MotoGP's profit and loss statement, provided by AGPC and EY analysis.

² AGPC data, EY analysis and 2023 Intercept Survey

³ AGPC data and 2023 Intercept Survey

3 Social benefits of the 2023 MotoGP

The 2023 Australian MotoGP is estimated to have potentially generated \$29.4 million in direct expenditure for the Victorian economy, increased Gross State Product by \$54.6 million and supported 284 full-time equivalent jobs.

Summary of the social benefits of the MotoGP Event

The 2023 Australian MotoGP also generated a host of social benefits to the Victorian economy which are not included in the economic impact estimates (on the prior page):

- **Global exposure of Victoria as a destination for tourism and major sporting events:** There were 10,301 media coverage sources of the 2023 Australian MotoGP globally, generating an Advertising Value Equivalency (AVE) of \$37.1 million for the State. The majority of this was generated by engagement with online, TV and radio media coverage. By showcasing Victoria's offerings, this coverage may have potentially directly and indirectly contributed to:
 - Branding value for Victoria as a tourism destination
 - The attraction of additional major events to Victoria
 - Increased trade and investment opportunities in Victoria.
- **Increased participation in motorsport:** Research suggests that people are inspired to participate in a sport if they see individuals from their state or country participating at the highest level.¹ Australians Jack Miller and Joel Kelso placed seventh and third in their respective classes (MotoGP and Moto3) at the Event.² Their efforts may have potentially provided motivation for the next generation of Victorian professional motorcyclists.
- Approximately 7,835 Victorians already participate in two-wheeled motorsport (as of 2019), including:³
 - 6,050 who compete only
 - 1,550 who officiate only
 - 25 who compete and officiate.
- **Civic pride:** Victorians may have obtained value from the event being held in Victoria, even if they did not necessarily attend the event. This is often referred to as the "feel good factor" that Victorians may get for having the Event in their State.
- **Volunteerism:** 590 marshals volunteered at this year's Event. 378 of these volunteers were from Victoria, 207 were from interstate and 5 were from overseas. Due to the cancellation of the second half of Sunday's schedule, these volunteers worked for 25 hours at this year's Event (compared to 30 hours in a non-weather affected year).⁴ Assuming a minimum hourly wage of \$23.30⁵, the estimated potential value of volunteers at the Event was more than \$0.3 million.



¹ De Croock, S., De Bosscher, V. and van Bottenburg, M., 2012. The inspirational function of role models for sport participation and development. In *Proceedings of the 20th conference of the European Association of Sport*. Aalborg: University College of Northern Denmark (UCN) (Vol. 160). ² Crash.Net. *Australian MotoGP and Australian Moto3 Grand Prix, Phillip Island - Race Results*. Available [here](#) and [here](#). ³ Motorsport Australia. *2022-32 Victorian Motorsport Infrastructure and Participation Strategy*. Available [here](#). ⁴ Data provided by AGPC. ⁵ Fair Work Ombudsman. *Minimum wages*. Available [here](#).



Release Notice

In accordance with the engagement agreement (the “Agreement”), Ernst & Young (“EY”) was engaged on the instructions of the Australian Grand Prix Corporate (“AGPC” or “Client”) to undertake a post-event assessment of the 2023 Australian Motorcycle Grand Prix that took place at the Phillip Island Grand Prix Circuit between 20 and 22 October 2023 (the “Project”, “2023 Australian MotoGP” or the “Event”).

This Report should be read in its entirety including the transmittal letter, the applicable scope of the work and any limitations. A reference to this Report includes any part of the Report.

EY has prepared this Report for the benefit of the AGPC and has considered only the interest of the AGPC. EY has not been engaged to act, and has not acted, as advisor to any other party. Accordingly, EY makes no representations as to the appropriateness, accuracy or completeness of the Report for any other party's purposes.

Our work commenced on 13 October 2023 and was completed on 30 July 2024. Therefore, our Report does not take account of events or circumstances arising after 30 July 2024 and we have no responsibility to update the Report for such events or circumstances arising after that date.

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