

Introduction

Motorsport, particularly open wheel racing, is fast, glamorous, hedonistic and loud. It is enormously appealing to some people, while others find it abhorrent. It is therefore not surprising that a range of reactions can be observed amongst local residents when a major motorsport event is hosted in their backyard. For some residents, it is the highlight of their year, while others dread the date to such an extent that they will plan to be out of town to avoid it, and clearly one of the most important explanations of this variation is the fact that some people identify closely with motorsport and value it as an entertainment opportunity, while others do not. However, there is a range of other factors which contribute to residents' reactions to sporting events, and events more generally, and it is important for event planners and managers to understand these for two main reasons.

First, large scale events are associated with a range of both positive and negative impacts which accrue to the community at large, but also have a differential effect on individuals within the community. In the democratic societies in which many of us live, we elect governments to make decisions for the community that will improve quality of life. Thus these decision makers need to understand the full range of impacts of events and how these impacts are distributed across a community to ensure that any event does in fact make a positive contribution to quality of life. Second, and more pragmatically, if event planners and managers want their event to be successful then it is strategically important to try to get the locals on side. High levels of discontent amongst the local population can lead to behavioural responses that will potentially jeopardise the long term success of an event. Disaffected residents may manifest their disgruntlement by voting against public officials who support the event, by forming protest groups, or even by taking legal action. It is also possible that individuals may be less than friendly to tourists visiting for the event, and this could be highly damaging to the tourism industry as no one wants to visit a place where they do not feel welcome. Thus, it is an important part of the sport event planning and management process, to consider the potential impacts of events and how these may affect the quality of life for local residents. The quality of life and social impacts of sport tourism are also noted in Chapter 6 by Palmer (discussing golf tourism in the developing world) and also by Hall in Chapter 10 concerning sport tourism and regeneration.

This chapter presents some findings from case studies undertaken in two Australian cities that play host to major motorsport events; Melbourne, Victoria, which hosts the Australian Formula One Grand Prix, and the Gold Coast, Queensland, which is the venue for the Indy 300. Only one other attempt to investigate the social impacts of motor sport has been found in the main stream literature. A series of studies which are documented in an edited book (Burns *et al*, 1986) together comprise a comprehensive examination of the impacts of the Australian Formula One Grand Prix in 1985, when it was hosted in Adelaide, South Australia. Where appropriate, reference is made to findings from this research.

The Case Studies

The Gold Coast Indy was first proposed in 1990 and was initially the subject of considerable controversy. Prior to the first event, local papers reported a number of objections raised by local residents, particularly an expressed concern over the lack of any consultation with them about the event (Weston, 1990a). The Gold Coast Rate Payers Association feared that residents would suffer alienation due to the disruption caused by preparation of the facilities (Gold Coast Bulletin, 1990). One resident even prepared a submission to the United Nations to overturn the Indy Car Grand Prix Bill, citing an infringement of civil liberties (Weston, 1990b). A rally in August 1990 attracted about 1000 protesters anxious about environmental damage to Macintosh Park and the surrounding beaches (Gold Coast Bulletin, 1990). Immediately prior to the inaugural event in 1991, residents complained of a 'nightmare' weekend, reporting that 'hammering and drilling' continued throughout the night. Concern was also raised for security, with some minor crimes cited as evidence of the 'influx of a different element' (Gold Coast Bulletin, 1991: 4).

After the first event the focus of concern expressed in the media seemed to swing toward the financial burden of the event on Queensland taxpayers. However, the state government suggested that the benefit to the local economy brought about by visitor spending and tourism promotional effects, far exceeded the monetary costs (Roberts, 1991). The event was plagued by sponsorship and financial problems, and had lost over A\$50 million by the end of the 1993 race. The event cost taxpayers an average of A\$20 million dollars per year until 1997 when IMG (International Management Group) became involved cutting costs and improving tickets sales. In 2002, the contribution made by the Queensland State Governments was A\$10.95 million, but it was argued that this was a worthwhile investment based on supposed economic benefits and flow-on effects. A 1999 study undertaken by a market research company estimated A\$42 million in economic benefit to the State (McCullough, 2002). Recently, in October 2002, the Premier, Mr Peter Beattie, committed the government to another five years of support ensuring the Indy will continue at least until 2008 (Gleeson, 2002).

The chronicle of the Australian Formula One Grand Prix in Melbourne is perhaps even more controversial commencing with 'snatching' of the event from South Australia in 1993. From the outset, concerns were raised by the South Melbourne Council about the environmental and recreational impact on Albert Park, where the street circuit is located (Farrant & Taylor, 1993). In early 1994 the Save Albert Park group was formed with the objective of ending motor racing in the park and restoring it as public space. The group has been remarkably tenacious having staged numerous demonstrations including two rallies in London. At the date of the 2002 event (6 March), they had maintained a vigil in Albert Park for over 2145 days (Green, 2002). However this high level of dedication has not succeeded in achieving the group's objective of eliminating or relocating the event.

However, there is no evidence that a substantial proportion of Melbourne residents share Save Albert Park's concerns for both the park and the perceived threat to democracy. One local trader suggested that '99%, no 99.9% of Melbourne has embraced the race and think it's terrific' (Freeman, 1996: 34). The Kennett government was returned to power in a March 30 1996 election, with an increased majority (Green & Brady, 1996), and one factor cited was the appeal of the event to blue-collar males (Carney, 1996). However, the unexpected defeat of the Kennett government in September 1999, was interpreted as being, in part, a consequence of a backlash to its 'steamrolling' approach, lack of accountability, and disregard for community concerns.

The government reported an operating loss of A\$1.75 million for the inaugural event, comprising A\$51.64 million revenue, and A\$53.39 million in operating costs. It was suggested that \$710,000 in security costs related to protests. Not included was the cost of capital works in Albert Park that totalled A\$47.9 million. A gross economic benefit to the state of A\$95.6 million was claimed (Skulley, 1996). In recent times there has been little discussion in the newspapers about the costs of staging the event, although it was reported that the 2001 Grand Prix recorded losses of close to \$6 million which were covered by the State Government. Claims have been made of an economic benefit to the state of Victoria in the order of A\$130.7 million (Dubecki & Baker, 2001), although no mention was made of how this estimate was derived.

Methods

The results reported in this chapter flow from a number of studies investigating host community perceptions of these two events. An early study in 1996 made an initial exploration of residents' perceptions of the impacts of the Indy and this prompted a more comprehensive and comparative study of two events with data collected immediately following the 1998 Indy (in October) and the 1999 Grand Prix (in March). An additional data collection phase was undertaken for the Grand Prix only in April 2002 as part of a study comparing different types of events.

In each of the above mentioned studies, similar data collection methods were used. The population of interest was residents of the host cities who were randomly selected for inclusion in the sample from an appropriate sampling frame (either electoral rolls or a proprietary list based on electoral rolls). The questionnaires were administered through a postal survey yielding response rates ranging from 13% to 42%.

In the latter three studies very similar instruments were employed. The main dependant variable, perceptions of a range of potential impacts of the events, was developed based on impacts identified in previous research. It was measured using a three-part scale ascertaining the perceived direction of movement in the impact (e.g. increased, no change or decreased), as well as the perceived effect on personal quality of life and overall community well being, both measured on a seven point Likert type scale.

Specific Impacts of Motorsport Events

Ritchie (1984) and Hall (1992) have described event impacts as falling into six different categories; economic, tourism and commercial, physical, socio-cultural, psychological, and political. Each of these categories may have both positive and negative manifestations. The following Tables present some of the impacts in each category potentially associated with motorsport events. In the two case studies presented here, the positive impacts that were perceived most strongly by residents at the personal level included:

- the 'showcase effect'- the media coverage that showcases the region and helps promote tourism and business investment;
- the stimulation of the economy through visitor spending and multiplier effects;
- the opportunity for the region to display and develop its event management skills;
- increased resident pride;
- entertainment opportunities for local residents;
- an opportunity to meet new people;
- a greater range of interesting things to do; and
- better maintenance of public facilities and beautification of public areas.

	<i>Positive</i>	<i>Negative</i>
Economic	Visitor expenditure and subsequent multiplier effects Individual businesses may experienced increased turnover particularly in the hospitality sector Creation of direct and indirect employment opportunities	Requirement for public funding and associated opportunity costs Individual businesses may experienced reduced turnover
Tourism/ commercial	'Showcase effect' - magnification of the region's profile and enhancement of image which may result in increased tourism flows and business investment	Potential damage to destination reputation if event is unsuccessful
Physical	Development of new public facilities and/ or better maintenance of existing public facilities, e.g. roads, parks, public transport, sporting facilities	Reduced access to public facilities for local residents because of crowding and /or closure Traffic congestion, parking availability, excessive noise, litter, pollution and other stressors to the environment
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	<i>Positive</i>	<i>Negative</i>
Socio-cultural	Promotion of socio-cultural norms which are seen as being positive	Promotion of socio-cultural norms which are seen as being egative, e.g. rowdy and delinquent behaviour, excessive drinking and drug use, violence and crime
Psychological	Increases in social capital - greater sense of community belonging and sharing Excitement, spectacle, pride, self esteem brought about by being the focus of international attention	Disruption and conflicts may lead to feelings of alienation, and the loss of a sense of belonging and/or community attachment
Political	Enhancement of certain images and ideologies Career enhancement for certain political figures (These may be perceived as either positive or negative depending on the extent to which one concurs)	Where conflicting interests exist it is likely that the interests of the politically weak will win out over the interest of the politically weak Loss of local autonomy

At the community level, these impacts were also strongly perceived but residents additionally felt that the community benefited substantially from the events contribution to employment and business opportunities. In terms of negative impacts, traffic congestion ranked as the most substantial concern across all studies at both personal and community levels. Other personal level negative impacts included:

- excessive noise;
- reduced availability of parking;
- opportunity cost - a perception that the money would be better spent on other public projects;
- damage to the environment; and
- increased incidence of dangerous driving.

This last impact was thoroughly examined with regard to the Adelaide Grand Prix in 1985. Fischer *et al.* (1986) described what they referred to as the 'hoon effect', that is, the propensity for some drivers to drive faster and more recklessly on public roads in an attempt to emulate their Formula One heroes. Through an examination of a variety of data sources, it was concluded that in the five-week period around the date of the Grand Prix, serious and fatal motor vehicle accidents increased by about 34% from the average for the same period over the previous five years. At the community level these impacts were also rated as having a substantially negative effect on quality of life, however there were also some additional concerns including:

- overall disruption of lifestyle;
- a decline in rights and civil liberties for local residents; and
- a perception that ordinary residents had no say in the planning of the event.

Overall Impact of Motorsport Events

It is clear that these two motorsport events have a range of both positive and negative impacts on the lives of local residents, but the question of whether to host an event or not relates to the overall impact, that is, the extent to which the benefits outweigh the costs or visa versa. Burns and Mules (1986) argued that a high level of support for the Adelaide Grand Prix (81% strongly in favour of the event and an additional 10% mildly in favour), notwithstanding the documented negative impacts, was indicative of a high level of intangible benefits or 'psychic income'. Similarly high proportions indicated support for continuation of the Indy (85% in 1998) and the Grand Prix (75% in 1999; 77% in 2002), presumably indicating that these proportions of residents believe the overall impact to be positive.

An additional measure of the relative balance between costs and benefits in the case of the Grand Prix was examined in the recent 2002 data collection. Here, residents were specifically asked to rate the overall impact of the event on their personal quality of life and on the community as a whole, using a seven-point scale ranging from very negative (-3) to very positive (+3). The majority indicated little or no overall impact at a personal level (mean of 0.35), but a fairly substantial benefit was reported at the community level (mean of 1.36). Over 50% of the sample rated the community level benefit at +2 or +3. However, these statistics average out the reactions of residents and hide the fact that some locals feel substantially disadvantaged by these events. For this reason it is interesting to further examine the range of reactions to motorsport events that exist within a community.

The Range of Reactions to Motorsport Events

The range of reactions that have been observed can be placed upon a continuum ranging from very negative to very positive, with a large group that can be described as unconcerned. These groups were identified using an analytical technique known as cluster analysis, which groups together respondents based on similarity in their scores on a range of variables, in this case, their perception of the range of impacts on their personal quality of life.

As can be seen in Figure 1, five groups have been identified and they have been labelled as being most negative, moderately negative, unconcerned, moderately positive and most positive. The most negative group, which contained 11% of the sample, was highly negative refusing to acknowledge any positive impacts associated with the event(s). At the other end of the spectrum the most positive group, containing 13% of residents, acknowledge only one negative impact, traffic congestion. The largest group in the middle, comprising 32% of respondents, was labelled as unconcerned because their evaluations of the impacts varied little around the mid-point of the scale, which indicated no effect. Figure 1 shows the mean overall impacts for each cluster as well as the minimum and maximum scores within each group. These overall impact scores were calculated by averaging the perceived impact on quality of life across all potential impacts. The graph makes it clear that, although the mean perception across the community as a whole is that these events are on balance beneficial, there are sectors within the community who feel substantially disadvantaged by them. To ensure the well being of these residents, and thus hopefully to ensure the sustainability of the event(s), it is important to try to understand why this group of residents feel disadvantaged and to explore options for ameliorating the negative effects on their personal quality of life.

Why Reactions to Motorsport Events Vary

Within any spatially denned community there are in fact a number of sub-groups often regarded as communities in their own right. These may be groups of residents connected through values, attitudes, interests or behaviour that is shared within a group, but substantially different from other groups living in the same geographic region. One example is, as suggested in the introduction, the extent to which people enjoy watching motorsport as an entertainment opportunity. People who enjoy motorsport share an interest and therefore form a community sub-group. Various authors have suggested possible theoretical frameworks for understanding this type of variation within the community, and how it may assist in understanding of variation in residents' reactions. Three examples are outlined below. Ap (1992) has suggested that Social Exchange theory (Emerson, 1972) is helpful in understanding residents' perceptions of the impacts of tourism and that exchange behaviour is related to perceptions. It is suggested that residents will have more positive perceptions of tourism if they perceive that their tourism exchanges bring them substantial benefits, but will have negative perceptions of tourism if they perceive these benefits to be outweighed by substantial costs. In this context, it might therefore be suggested that residents who benefit more from an event, perhaps through employment or increased business turnover, will have more favourable perceptions than those who do not. This would explain

why those who enjoy motorsport have more favourable perceptions of motorsport events, because they perceive a benefit in the form of entertainment opportunities.

Alternatively, Pearce *et al.* (1996) have proposed the use of Social "Representation Theory (Moscoviri, 1981). This theory suggests that residents have representations of tourism and events which underpin their perception of impacts, and that these representations are informed by direct experiences, social interaction and other sources of information such as the media. It is argued that representations are resistant to change, because they form a frame of reference through which new information is interpreted. However, they are not impossible to change especially when direct experience provides residents with more information on which to base their perceptions. This information may act as a catalyst for change as people question inconsistencies between prevailing social representations and their own observations. When direct experience is limited, other sources of social representation become more important, and residents may 'borrow' a representation that they are exposed to either socially or through some other information source such as the media.

The tenets of these theories are not contradictory. However, a substantial difference lies in the confidence they place in the rationality of the human mind. The social exchange approach tends to suggest that residents can rationally weigh up the costs and benefits of tourism or events, and that their overall disposition toward the phenomenon will reflect some sort of informal cost benefit analysis. In contrast, social representation theory suggests more of an instinctual reaction based on a range of underlying values and attitudes. The theory also acknowledges the tenacity of these values and attitudes which underpin representations, and the fact that they are socially reinforced, thus social representations are seen as being fairly persistent.

Another potential theoretical framework that has been proposed in this regard is the expectancy-value (EV) model (Eagly & Chaiken, 1993) which Lindberg and Johnson (1997) tested in a general tourism context, and found that the interaction between the importance that residents place on certain outcomes (value) and the degree to which they believe tourism to contribute to these outcomes (expectancy) has some utility in explaining variation in attitudes toward tourism.

A range of independent variables have been examined which appear to discriminate between subgroups in the community and help explain differing reactions to tourism. These have been tested in a variety of tourism case studies and in these two cases were tested for their ability to differentiate residents reactions to motorsport events.

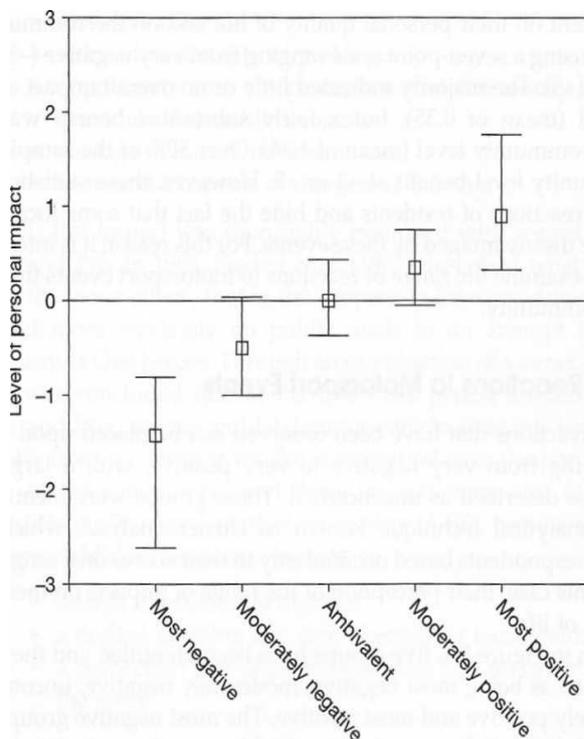


Fig 1. Comparison of Overall Perceptions off Impact across Community Subgroups

Proximity

Motorsport events are, by necessity, staged on a race circuit, either a specially constructed dedicated venue or an appropriately designed circuit on existing streets around which infrastructure is erected and dismantled as required. Often the former option, when utilised, is located at a site some distance from a city centre because of the need for a large area of land on which to construct the circuit. Conversely, the latter option often involves streets close to the city centre. It is this latter option which is used for both the Indy and the Grand Prix events and this is most likely for two reasons. First, the demand for dedicated venues for open wheel racing is limited in Australia, but perhaps more importantly, both of these events are clearly pitched as part of the respective destinations' tourism attraction mix. Thus, in an effort to maximise the benefits of the 'showcase effect' induced by media coverage, there is an expressed desire to stage the events in attractive locations. Additionally, because both race precincts are located close to the city centre and important tourism infrastructure, visitors to the event are well catered for. However, because of the proximity to the city, both race sites affect quite densely populated areas.

The residents living close to these areas are clearly subjected to localised event impacts such as noise, traffic and parking and access restrictions to a greater extent than those living a substantial distance from the track. In terms of the three theoretical frameworks this group of residents may be expected to have differing reactions to the event than those who live further away from the circuit. In the language of social exchange theory these residents are forced into an exchange relationship because of their residential proximity, and in the absence of mitigating positive impacts, it is likely that the result of this exchange would be more negative than for those living a substantial distance from the track, because of the localised negative externalities. In the language of social representation theory, this group has high levels of direct experience because the event takes place around them. Whatever their reaction, it is likely to be reinforced through social interaction with their neighbours who are similarly exposed. Finally, in terms of the expectancy-value model, this group is likely to place higher importance ratings on localised impacts and if they attribute these to the event this will affect their reaction. Thus regardless of the theoretical framework used, it would be expected that, all other things being equal, people living closer to the foci of the event may have different reactions to those living further away.

In these cases studies, residential proximity to the event area tended to be associated with more negative perceptions of the impacts, while people who lived far away were likely to be unconcerned, generally perceiving little or no impact associated with the motorsport events. In the 1998 and 1999 studies, the median distance of place of residence from the track was only 1 kilometre for those in the most negative group compared with a median of nearly 6 km for the unconcerned group. Those who were positively disposed to the event lived at a broader range of distances from the circuit.

Use of affected facilities

Another issue associated with the use of a street circuit rather than a dedicated facility is that during the event, and also for much of the time during which infrastructure is erected and dismantled, local residents are denied access to the area. In the case of both the Grand Prix and the Indy, the circuit are centred around major recreational parks. In Melbourne in particular, Albert Park is home to several sporting clubs and many local use the area for general athletic and leisure activities. Because preparation for the event interferes with their enjoyment of this recreational resource, it might be expected that residents who use the park(s) on a frequent basis would be more negatively impacted than those who seldom or never use the park(s).

In the 1998-99 studies it was found that 64% of residents in the most negative cluster typically used the park at least once a week, while only 16% reported never using the park. In contrast the unconcerned group contain only 15% who used the park frequently and 54% who never used it.

Identification with theme

As has been previously discussed, the identification with the theme is intuitively likely to be related to variation in reactions to the event, and localised negative externalities. In the language of social representation theory, this group has high levels of direct experience because the event takes place around them. Whatever their reaction, it is likely to be reinforced through social interaction with their neighbours who are similarly exposed. Finally, in terms of the expectancy-value model, this group is likely to place higher importance ratings on localised impacts and if they attribute these to the event this will affect their reaction. Thus regardless of the theoretical framework used, it would be expected that, all other things being equal, people living closer to the foci of the event may have different reactions to those living further away.

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As has been previously discussed, the identification with the theme is intuitively likely to be related to variation in reactions to the event, and this was supported by the results observed in these case studies. In the 1998-99 studies, 92% of residents in the most negative group identified themselves as having no interest at all in motorsport compared with only 1% of those in the most positive group.

Economic dependence on tourism

In accordance with social exchange theory, it would be expected that residents who gain employment through the event, or those who perceive that the industry that they work in benefits from the event, would derive a greater benefit than others (all other things being equal) and would therefore have more positive perceptions. Similarly, those who work in industries which benefit from the event have higher levels of direct experience than others, and also have opportunities for social reinforcement of their perceptions. Thus, as would be suggested by social representation theory this sub-community could be expected to react differently to others. In terms of the expectancy-value model, those who believe that they work in an industry which is positively affected by the event are likely to value employment creation in these industries more highly than others, and also to perceive this impact to be associated with the event. In the 1998-99 studies, residents in the most positive group had much higher rates of employment in tourism and other industries which were perceived to be positively influenced by the events (54%) compared with a sample wide proportion of 29%.

These three variables appear to be the key discriminating factors in explaining the observed differences in the reactions to the events, however, there were other factors which appeared to also be important, including:

- the social and political values of residents;
- their perception of their ability to participate in the planning process;
- residents' level of attachment to the community; and
- their perception of justice in the distribution of costs and benefits of the event.

Conclusion

As mentioned at the outset of the article, an understanding of the ways in which motorsport events impact upon the quality of life for the host population is important for planning and management of such an event, and to ensure its long term success. Selected results from a number of studies in Australia have been presented which suggest the following important conclusions.

These motorsport events are perceived as having a range of positive and negative impacts on the host population; but, on balance, the community as a whole seems to perceive these two events as having a positive impact overall, that is, the benefits seem to outweigh the costs. However, this aggregation across the whole community conceals the fact that certain subgroups of the community perceive themselves to be negatively affected by the event.

The identification of subgroups of the community with quite different, indeed polarised, reactions to these events raises issues of social distributive justice. Because of the concentrated nature of events and

the localised influence of some impacts, it is possible for a large majority to enjoy the benefits of an event, while a minority suffer the bulk of the costs. Planners and managers, particularly in the public sector need to consider the principles of equity and the bases for determining what constitutes a fair distribution of costs and benefits. While full exploration of these issues is beyond the scope of this chapter it is nonetheless important to be aware of them.

The results of these studies have management implications for these particular events, but they may also be of value for other motorsport events and other large scale events with various themes. The host community of an event can be regarded as being somewhat like the internal customers of a firm (Kotler, 1988) to the extent that they are part of the product being delivered. Thus, some form of internal marketing may be useful in achieving higher levels of satisfaction within the community. The identified clusters can be regarded as different market segments (Madrigal, 1995) and different strategies might be useful for maximising satisfaction within each group (Davis *et al*, 1988).

Given the salience of localised impacts often associated with large-scale events such as traffic, noise and disruption, a permanent facility in a relatively sparsely populated area would seem like an appropriate strategy. However, as previously mentioned, the selection of the site may be based on other criteria such as the showcasing of the destination region, rather than minimisation of negative impacts. In any case, purpose built facilities require a large investment, and for annual events, returns would be limited unless such a facility could be utilised for other purposes at other times of the year. It is also apparent that, to some extent, any benefits of increased employment associated with assembling and dismantling infrastructure would be reduced at a permanent site. If a permanent facility is not an option, the scheduling of erection and dismantling of the event infrastructure needs to be considered so as to ameliorate the negative impact.

It would appear that perceptions of participation and justice seem to play a role in determining reactions to this type of event, and that some residents may feel disenfranchised by the planning process. Some sort of resident consultative process may be useful to ensure that locals have a voice in the planning and management of events, and therefore feel that their concerns are being heard and addressed. This could also be an appropriate forum for developing strategies for ameliorating costs and perhaps even compensating residents who are severely negatively impacted.

Another extremely important consideration is the theme of the event. It would appear that residents who identify with the theme are more likely to disregard or tolerate the negative impacts, because of the offsetting benefit they derive through being entertained. It is therefore important to consider the socio-cultural milieu of a community when deciding what type of events should be publicly funded.

The final conclusion to be drawn from these studies is the importance of establishing mechanisms for measuring and monitoring the impact of events on the quality of life of local residents so that a informed decisions can be made regarding which events should be publicly funded. These decisions have traditionally been made based solely on economic impact evaluations but consideration of the social and environmental impacts associated provides for a more balanced appraisal.

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