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Sent: Friday, 23 April 2004 3:50 PM
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Subject: C2004/479

To:
The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
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As Team manager for Subaru Rally Team Australian I make the following comments on the ELF fuel arrangement in the 2004 Australian Rally Championship.

The questions you have asked for our views....

1. What are the benefits of competing in Australian Rally Championship events if a racing competitor can not accrue championship points?

Subaru Australia supports our rally program to win the Australian Rally Championship for our drivers and also the manufactures championship award. Winning this title of "Australian Rally Champion" is an important part of Subaru Australia marketing strategy. This title Subaru have won for the past 9 years and is used to promote Subaru products.

If a competitor cannot win points then there would be little reason for the commercial support from sponsors such as Subaru. There would be little benefit of competing from a commercial point of view. Competitors would struggle to get sponsors for the Australian Rally Championship.

2. CAMS claims that many professional competitors expressed concern to it regarding the cost of fuel being used to generate the level of performance required to be competitive. CAMS claims that the cost Elf WRF fuel is at the median price for fuel of this type. Please comment on whether you consider this to be the case?

Yes, the present price of the ELF WRF fuel is median price.

ELF turbo max, the fuel used by leading teams in the 2003 Australian Championship was around AUD\$6.50/L.

The cost of Shell World Rally fuel, the compulsory one brand one specification fuel used in the 2004 World Rally Championship is Euro2.78/L, plus Euro1.60 for the refueling service. (We were required to use this fuel and service in Rally of New Zealand last week, a round of the World Rally Championship and will also be required to use the same in Rally Australia later this year. This fuel is very similar to ELF WRF which was the fuel required in the World Rally Championship for the last 4 years.)

Subaru Rally Team Australia was concerned about the cost of ELF Turbo Max in 2003....because of the chance of high engine performance from this fuel it had to be used to be competitive. All leading

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Teams used this high performance fuel last year. A few Teams used alternative fuels but would not be considered championship contenders. Winning would have been very difficult without this expensive Elf Turbo Max fuel last year.

Subaru Rally Team Australia supported the CAMS decision to use the less expensive ELF WRF fuel for 2004.

3. *How do different motor fuels impact on a competitor's ability to compete? Is competition amongst various rally teams likely to be stronger or fairer if each team is required to use the same type of fuel?*

Engine performance does vary according to fuel used. Engineers claim that there can be a 10% variation in engine power that can be achieved from different fuels that could be available for the Australian Rally Championship.

The ELF fuel used this year fits in the middle on price and power that can be achieved by the tuners. Further cost benefits come using this fuel since engines break and wear out much faster using the higher performance fuels.

It is much fairer and in the long run more cost effective for teams to use the one fuel type as planned this year compared to fuels used in 2004.

4. *Please provide your views in relation to the claim made by CAMS that there will be a reduction in entry fees for competitors for at least \$200 per event as a result of Elf meeting the cost of organising medical support.*

ELF are contributing towards the cost of providing a safety, rescue and medical service during our competition. We recognize this as a vital to our sport. In 2003 the cost of this service was covered by additional entry fees.

5. *Do you consider that there is likely to be a reduction in expense and testing time as a result of one type of motor fuel being used by all competitors?*

Yes. Cost of tuning engines is considerable, in some cases making a new tune could cost \$10,000 to \$15,000. As mentioned above Subaru Rally Team Australia support the use of the ELF WRF one make fuel for the Australian Championship based on price and cost of running engines.

6. *CAMS claims that the using Elf fuel as a specified fuel contributes to the quality and safety in Australian Rally championship events. Do you consider that other compliant brands of motor fuel would not be able to provide the same level of quality and safety?*

Under the present agreement we would agree with this, as outlined above. I do not know what opportunities would be available from other potential fuel suppliers.

Other advantages of using a one supplier, one specification fuel such as ELF WRF.

1. Cost saving in analysing fuel samples from competitors to check that fuel meets rules on fuels which can be used according to international rally regulations and local requirements.
2. Prevents teams from mixing or adding components to make their own high performance fuels....in the past adding components that are now not allowed in pump fuels for environmental reasons took

place. ELF WRF fuel we use this year is lead free meeting environmental requirements.

I can be contacted on 0408 572558 if you have questions on this submission.

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