



SPRINTCAR CONTROL COUNCIL OF AUSTRALIA INC

A.B.N. 69 903508263

HOME of THE AUSTRALIAN SPRINTCAR CHAMPIONSHIP® SINCE 1963

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SCCA SUBMISSION TO ACCC AS INTERESTED PARTY CONSULTATION

RESPONSE TO EXCLUSIVE DEALING NOTIFICATIONS LODGED BY BRISBANE INTERNATIONAL SPEEDWAY PTY LTD, MURRAY BRIDGE SPORTING CAR CLUB AND MOTORCYCLE CLUB INCORPORATED AND PREMIER SPEEDWAY CLUB WARRNAMBOOL PTY LTD

The notified conduct

The Track Operators propose to offer and supply race services, including access to track facilities and race events, on the condition that

- a) The offeree has purchased a suitable license from the National Association of Speedway Racing Pty Ltd (NASR) in order to compete at the Track Operator
- b) The offeree has purchased a suitable license from NASR in order to visit the racing pit area

SCCA Comment

NASR Inc sells the NASR licence. Because the licences are purchased from NASR Inc, then the notified conduct making reference to the purchase of a licence from NASR Pty Ltd is inaccurate and therefore makes the lodged notifications totally irrelevant.

The sole reason for NASR creating a NASR license is to sell personal accident insurance, thereby providing the major source of revenue for NASR Pty Ltd. The notified conduct is simply a way to force all speedway competitors (including sprintcar drivers) to purchase a NASR license to provide personal accident insurance through NASR's insurance broker. A driver cannot purchase the NASR Personal Accident Insurance as a single component.

To further support the statement that the NASR licence is an important revenue stream for NASR Pty Ltd, it is no coincidence that the two track operators that have already received ACCC approval, namely Perth Motorplex and Avalon Raceway, and two of the three tracks seeking approval to force competitors to have a NASR licence, namely Brisbane International Speedway and Premier Speedway Warrnambool are A Class share holders in NASR Pty Ltd.

The SCCA expresses its concern that when NASR sells a license, it does not provide the purchaser with a Product Disclosure Statement as required by law for the purchase of the personal accident insurance that is sold with the license. The SCCA also expresses its concern that NASR does not provide the purchaser of the NASR license with a breakdown of the fees associated with the cost of the purchase of the license. It must be assumed that the Personal Accident Insurance Policy is provided free to the purchaser in order to negate the obligations of the insurance provider and to negate the Government regulations relating to the sale of the Personal Accident Insurance.

The SCCA allows its members to purchase his/her own personal accident insurance when obtaining an SCCA licence and, if requested, recommends appropriate insurance companies. The SCCA shows a duty of care in this regard, whilst respecting the privacy of its members. Accordingly, the SCCA strongly objects to the notified conduct in that it does not meet ACCC policy to encourage competition and efficiency in business resulting in greater choice for consumers in price, quality and service.

The SCCA is recognised by NASR Inc and NASR Pty Ltd as the controlling body of sprintcar racing in Australia. As such, it is imperative that the SCCA controls all aspects of sprintcar racing nationally, including the issuing of licenses to its members. Part of the criteria for the issuing of an SCCA license is that the applicant provides proof of adequate and appropriate personal accident insurance allowing members to choose his/her insurance provider (see attached document for complete criteria). The SCCA submits that forcing SCCA members to purchase a NASR license is completely unnecessary, undermines the SCCA control of sprintcar racing and is detrimental to the public interest.

The SCCA expresses its concern that forcing sprintcar drivers to have a NASR licence has vital safety issue ramifications. When a driver purchases a licence to race a sprintcar (AA licence) from NASR, there is no assessment of the applicant's knowledge or competency prior to the issue of the NASR licence nor is there a follow-up procedure to ensure that the driver is capable of competing safely in race conditions. For example, NASR Inc has issued sprintcar competition licences to drivers in Western Australia who are not members of the SCCA member State Association – Sprintcar Association of Western Australia - and therefore are driving unregistered race cars.

However, when a driver obtains an SCCA licence to race a sprintcar, the SCCA has rules, regulations and procedures in place prior to and following the issue of a competition licence and provides qualified officials to ensure that the driver meets acceptably safe racing standards as stipulated in the SCCA Rule Book. The SCCA submits that forcing a driver to compete with a NASR licence has safety ramifications, is entirely unnecessary, is detrimental to the public and detrimental to the proper and effective control of the SCCA over sprintcar racing.

The ACCC has granted approval to Perth Motorplex (WA) and Avalon Raceway (Vic) to insist that competitors hold a NASR license to compete at the respective venues. As stated by the ACCC at the previous hearing, these two tracks conduct several major speedway meetings, especially sprintcar events. The SCCA submits that if the notified conduct for the above three Track Operators in this notification is approved by the ACCC, competitors will again be forced to purchase a NASR license to participate in events. The SCCA advises the ACCC that these are major speedway tracks that conduct major speedway events, especially sprintcar events, and especially at Brisbane International Speedway and Premier Speedway Warrnambool. The Brisbane International Speedway recently released its competition calendar for the up-coming 2009/2010 season. There are 39 race meetings scheduled, 21 of which are sprintcar meetings and drivers will require a NASR license to compete.

100% of the major sprintcar events in Victoria are conducted at Avalon Raceway and Premier Speedway Warrnambool. SCCA members who already hold an SCCA license will be forced to purchase a NASR license as well to compete in these major events. The SCCA strongly opposes the granting of approval by the ACCC for more and indeed any track operators to insist on competitors having a NASR license as it is entirely unnecessary, is detrimental to the public and detrimental to the proper and effective control of the SCCA over sprintcar racing.

If the ACCC grants approval to the above three track operators, it will lead to other major speedway venues around Australia following suit.

The SCCA is of the opinion that the notification by the track operators of Brisbane International Speedway and Premier Speedway Warrnambool borders on arrogant and contemptuous. Both track operators currently insist on competitors holding a NASR licence and have been forcing competitors to have a NASR license to compete at the respective venues for several seasons, without the approval of the ACCC. The website for Premier Speedway Warrnambool has

nomination forms for two of its major sprintcar events for the past racing season. Both nomination forms state that a driver must have a NASR licence. Now they are asking for official 'blessing'. The track operator at Charlton Speedway Toowoomba also forces competitors to have a NASR license to compete.

The track operator of Northline Speedway Darwin has advised competitors who do not hold a NASR license that the competitor will be obliged to pay the legal fee to have any other personal accident insurance policy scrutinised and approved. This is just another way of forcing drivers to purchase a NASR license to include NASR Personal Accident Insurance.

It must be reiterated that the personal accident insurance policies associated with the SCCA license are adequate and approved. This is further support for the SCCA to urge the ACCC to deny ALL track operators the right to enforce a NASR license as it typifies the arrogant conduct of NASR Inc and NASR Pty Ltd, it does not meet ACCC policy to encourage competition and efficiency in business resulting in greater choice for consumers in price, quality and service, is detrimental to the public interest and is detrimental to the proper and effective control of the SCCA over sprintcar racing.

At the previous ACCC hearing, NASR indicated that competitors were able to purchase a NASR 'day license' to enable them to compete at race venues that forced competitors to have a NASR license. The SCCA advises the ACCC that NASR has abandoned its 'day license' policy for AA licence competition (sprintcar drivers) at race meetings. This is another way for track operators to enforce a NASR license and the accompanying NASR Personal Accident Insurance Policy. Therefore, the SCCA urges the ACCC to deny any track operator the right to enforce a NASR license as it does not meet ACCC policy to encourage competition and efficiency in business resulting in greater choice for consumers in price, quality and service and is detrimental to the public.

The SCCA submits that these tracks, and the others that will follow or will continue to insist on NASR licences without ACCC approval, are "rail-roading" our members by forcing them to have a NASR license to include NASR Personal Accident Insurance when an SCCA license has already been issued by the controlling body.

The SCCA urges the ACCC to deny ALL track operators the right to enforce a NASR license to compete at the track and to use the track pit facilities, not only for sprintcar events but all speedway racing categories, to be in the best interests of the public.



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FOR YOUR INFORMATION AND RECORDS

NASR Inc., all sprintcar track owners and track promoters, ACCC (Monica Bourke) and all SCCA State and Territory Associations

INSURANCE WITH AN SCCA LICENCE

The Current SCCA Process

To obtain an SCCA licence or renew an SCCA licence, the applicant must meet the following criteria:

- Be a member of a member club
- Undergo a medical examination each year and receive a clearance to race
- Purchase a current SCCA Rule Book
- Provide documentation as evidence of adequate and appropriate personal accident insurance

Accordingly, each SCCA State and Territory Association secretary does not issue an SCCA licence unless the criteria are met.

On that basis, any official or promoter will be aware that when a driver produces an SCCA licence, that driver is a member of a member club, is medically fit to drive, has a current SCCA Rule Book and has adequate and appropriate personal accident insurance.

The SCCA is not aligned with any one insurance provider. Drivers make an individual choice about the personal accident insurance he/she wants to take.

The SCCA is aware that the following personal accident insurance policies are adequate and appropriate:

- NASR Insurance – cannot be purchased separately - provided only with the purchase of a NASR licence
- NDRA Insurance
- Motorsport Insurance

Other insurance companies will be invited to provide similar policies. The SCCA will then add any additional company to the approved list and make the updated list available to all interested parties.

The SCCA licence will have "Personal Accident Insurance Approved" printed at the bottom.