



Our ref: CB00324-325
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30 November 2015

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Dear Sir/Madam

Collective Bargaining Notifications CB00324-325 lodged by Kwinana Motorplex Pty Ltd

The Australian Competition and Consumer Commission (ACCC) has received collective bargaining notifications from Kwinana Motorplex Pty Ltd (Kwinana Motorplex) on behalf of itself and two other drag racing facilities in Australia (the bargaining group).

The notifications concern negotiations between the bargaining group and two sanctioning bodies, the Australian National Drag Racing Association (ANDRA) and the International Hot Rod Association (IHRA) in relation to agreed terms and conditions (including price) of drag racing sanctioning services.

The purpose of this letter is to provide you with an opportunity to comment on the collective bargaining arrangements.

Collective bargaining notification process

The ACCC is the Australian Government agency responsible for enforcing the *Competition and Consumer Act 2010* (Act). The broad objective of the Act is to benefit all Australians by promoting competition and to ensure consumers are treated fairly.

The competition provisions of the Act prohibit certain forms of anti-competitive agreements or conduct including agreements which typically occur during collective bargaining.

Collective bargaining refers to an arrangement where one or more competitors in an industry come together to negotiate terms and conditions (including price) with a supplier or a customer.

While the Act prohibits certain forms of anti-competitive conduct, it does recognise that conduct which may otherwise breach the Act may, in some circumstances, be of benefit to the public. The Act accordingly allows businesses that are considering engaging in anti-competitive arrangements to seek immunity from legal action. One way businesses may obtain immunity to engage in collective bargaining conduct that may be at risk of breaching the Act is to lodge a notification with the ACCC.

Once a notification has been validly lodged with the ACCC, immunity from legal action in respect of the notified conduct commences 14 days after the notification was lodged, unless the ACCC issues a draft objection notice proposing to prevent the immunity coming into effect.

The ACCC may at any time proceed to remove the immunity provided by a collective bargaining notification where it is satisfied that the likely benefit to the public from the proposed conduct will not outweigh the likely detriment to the public from the proposed conduct.

Collective bargaining notification lodged by Kwinana Motorplex

The bargaining group members are:

- Kwinana Motorplex Pty Ltd (Perth, Western Australia)
- Willowbank Raceway (Ipswich, Queensland)
- Sydney Dragway (Sydney, New South Wales).

The bargaining group proposes to collectively negotiate with:

- Australian National Drag Racing Association Ltd (ANDRA) (CB00324) and
- International Hot Rod Association (IHRA) (CB00325).

The collective bargaining negotiations concern agreed terms and conditions (including price) about the provision of drag racing sanctioning services.

The immunity from legal action provided by notifications CB00324-325 will commence on **4 December 2015** provided the ACCC does not issue a draft objection notice proposing to prevent the immunity coming into effect.

A copy of the collective bargaining notification is enclosed for your information and will be made available on the ACCC's [Public Register](#).

Request for submissions

To assist the ACCC in its consideration of the notification it would be helpful to obtain your comments on the likely public benefits and the likely effect on competition, or any other public detriment, from the proposed arrangement.

The ACCC asks for submissions to be in writing so they can be made publicly available. They are placed on a public register for this purpose.

Persons lodging a submission with the ACCC may request that information included in the submission be excluded from the public register in certain circumstances. Please see the ACCC's publication [Guidelines for excluding information from the public register](#).

If you wish to lodge a submission, please address your submission to:

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission

Submissions can be lodged by email to adjudication@acc.gov.au. If relevant, please provide a preferred email address for any future correspondence from the ACCC.

Alternatively, if you would like to provide comments orally, please contact Elizabeth Batten on (02) 6243 1359 to organise a suitable time.

Please raise any significant issues with the ACCC as soon as possible. At this stage the ACCC expects to make a decision on these notifications in mid December 2015. To enable us to achieve this timeframe, please ensure that any submission is lodged with the ACCC by **Friday, 4 December 2015**.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Elizabeth Batten on (02) 6243 1359.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D. Hatfield', is placed over a light yellow rectangular background.

David Hatfield
Director
Adjudication Branch

Kwinana Motorplex Collective Bargaining Notification – List of interested parties consulted
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Adelaide International Raceway

Australian National Drag Racing Association

Australian Pro Street Association

Australian Racing Drivers Club

Calder Park Raceway

Confederation of Australian Motor Sport

Foxtel Management

International Hot Rod Association

Special Broadcasting Service

VenuesWest (Government of Western Australia)
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