

AUGUST 9, 2023

Credible Sanctioning of Motorsport Activity in Australia



AUSTRALIAN MOTORSPORT COUNCIL LTD
PO Box 1297, Oxenford, Qld 4210

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Introduction

The Australian Motorsport Council (“**AMC**”), is the united advocacy body representing Australia’s motorsport Federations with authority and delegated responsibilities to control, regulate and manage mainstream Australian Motorsport from the International Motorsport Federations – **FIA**ⁱ and **FIM**ⁱⁱ.

Motorcycling Australia is recognised by Sport Australia as the National Sporting Organisation (“**NSO**”) for 2-wheel motorsport. Motorsport Australia is recognised by Sport Australia as the NSO for 4-wheel motorsport. Both federations receive funding support from Sport Australia.

Karting Australia, the Australian National Drag Racing Association and Speedway Australia govern the specific divisions of 4-wheel motorsport – Karting, Drag Racing and Speedway under authorisation of the General Assembly of the FIA through formal agreements of delegation of sporting power and general authority to control, regulate, supervise administer and promote their respective division of 4-wheel motorsport from Motorsport Australia.

The five federations are the only motorsport Sporting Organisations recognised by the Federal Governmentⁱⁱⁱ as the “**Authorised Sanctioning Bodies**” of land based motorsport.

The AMC has the core belief that motorsport at all levels must be organised and sanctioned with the application of the highest standards of rules, policies and procedures to ensure that motorsport in Australia is conducted with integrity in the safest and fairest possible way. It is the focused dedication to the internationally established safety framework, fairness and integrity in motorsport that sets the AMC’s members apart from alternate ratifying bodies.

About This Position Statement

This position statement addresses Federal and State Government recognition of motorsport sanctioning bodies, the standards and criteria required to achieve such status, the need to hold substandard sanctioning, substandard recognition bodies and promoters to account and highlight the risks and consequences of failing to do so.

The Authorised Sanctioning Bodies apply and require international best practice safety standards for our participants. It is our policy position that governments should first and foremost recognise the AMC’s members as being Australian motorsport’s leaders in all aspects of motorsport administration, management and regulation and that they should be the bodies upon which government should rely on the most for advice on motorsport.

Recommendations

- 1) That State Governments, in recognising a motorsport sanctioning body as a State Sporting Organisation (“SSO”) or as the peak body in their State should rigorously and consistently apply a recognition criterion for those bodies that is similar to and modelled on the Sport Australia “National Sporting Organisation (“NSO”) Recognition Criteria”.
- 2) That State Governments, in considering consistency and best practice in governance, risk management, safety and integrity, only recognise bodies that are the pre-eminent organisations in Australia through affiliation with their respective International Federation, which are a members of the Association of IOC Recognised International Sports Federations (ARISF)
- 3) That State Governments, in considering legislative reform or amendment, only consult with the sanctioning body that is the peak regulatory and organising body in the state, as recognised through the delegated authority through the FIA and FIM.

Background

There is a growing proliferation of substandard, profit based, self-proclaimed ‘sanctioning bodies’ (“**Alternate Ratifying Bodies**”) that purport to operate with the same or similar values and professional standards demanded of the AMC member bodies by our international affiliating federations. In reality, they offer little more than some levels of insurance cover and rules of varying quality (that are often treated as simple guidelines) to participants in their events. In some cases, these rules are copied, without authorisation, from those of the AMC member bodies.

The AMC acknowledges the difficulties that this creates for governments and sports management authorities at all levels. The complexities of motorsport are much more challenging than the regulatory requirements and compliance regime of most other sports where an oval inspection, a set of goal post pads and sport-based insurance is largely sufficient for the safety of participants.

Notwithstanding the challenges, the preparedness of some tiers of government to recognise Alternate Ratifying Bodies unwittingly creates unnecessary lowering of standards of service and unacceptable safety risks for motorsport participants that must be avoided.

Not all motorsport competition rules and not all motorsport affiliations are created equal. In the absence of International Federation affiliation and delegated responsibilities that demand the application of the highest standards of rules, and safety, it is common practice for Alternate Ratifying Bodies to create their own reality of what is safe and acceptable while citing membership of, or affiliation with credible safety standards organisations like the SFI Foundation^{iv} in place of the formal delegated authority from either the FIA or FIM.

Inevitably, many Alternate Ratifying Bodies unashamedly place profit first, under the guise of promoting a simplified yet often dangerous set of ‘standards’ at a cut price rate preferring to rely upon insurance cover that they sell over proper risk management, event management and the application of robust, best practice risk mitigation.

Insurance is an obvious component of risk control and mitigation, but it can never become a substitute for ensuring that motorsport events and activities are well organised and subject to the highest safety standards in the world.

The peak motorsport bodies control, regulate, supervise, promote, licence, permit, insure, develop and manage motorsport in Australia.

The AMC is aware that a number of organisations that purport to represent motorsport participants in Australia have achieved recognition, or worse, endorsement from State Governments as SSOs despite their inability to meet basic recognition criteria set out by the relevant state Department of Sport and Recreation/Office of Sport (“**S&R/OOS**”). It is the AMC’s view that it is in the best interest of State S&R/OOS’s and motorsport participants to ensure that only the best credentialled sporting organisation for the sport is recognised as an SSO and that all SSOs need to meet S&R/OOS recognition criteria.

Why the issue is important

SSO Recognition

SSO recognition by S&R/OOS confers on recipients a range of benefits and obligations. Moreover, for selected sports including but not limited to motorsports, there is an inherently higher potential level of danger involved in the conduct of the sport than there is for most other sports. SSO recognition as the pre-eminent sporting organisation can serve to inadvertently mislead the public and participants into believing that the highest standards of rules, safety, insurance, compliance and integrity are being applied to their sport. It is a form of endorsement by the State Government that could ultimately attract liability should the appropriate due diligence on the Alternate Ratifying Body prove wanting.

Benefits to the SSO include State endorsed recognition and support as the preeminent organisation responsible for the sport in the state, financial and non-financial support from the S&R/OOS including eligibility to apply for S&R/OOS Grant Funding programs. The obligations of an SSO are commonly set out in eligibility criteria for recognition as an SSO which in some cases is modelled on and aligned to the approach undertaken by Sport Australia for recognising National Sporting Organisations (“**NSO**”).

Obligations are often self-assessed by the SSO and it is not surprising that an S&R/OOS can report a high level of achievement and compliance by their SSO’s when this may not necessarily be the case.

Non-SSO Recognition

Some State S&R/OOS believe there is a need to recognise sanctioning or ratifying bodies other than as an SSO for various reasons, including but not limited to for the licencing of motor racing grounds. The AMC understands that there may be good reasons for continuing recognition of such bodies but that such recognition should be set at a lower level than SSO status.

In such circumstances, it is the AMC’s position that the recommendations made in an S&R/OOS position statement should be rigorously applied and the government should take the best available advice from the pre-eminent sporting body or failing that, the most organised and effective sporting body (notwithstanding that it may not hold major international federation affiliation.)

The AMC is of the view that all State S&R/OOS should establish a robust recognition process, not dissimilar to that applied by Sport Australia in recognising a sport that is seeking to be recognised as an NSO (but, with a much greater emphasis on safety standards, licencing rules and policies).

In the AMC's opinion it makes a great deal of sense for State Governments to apply recognition criteria that reflects a high level benchmark as it guarantees world best practices in motorsport being applied to motorsport in Australian States and Territories and to ensure that all SSOs continue to meet the criteria through an annual independent audit process.

The AMC together with its constituent member bodies Motorsport Australia, Motorcycling Australia, Karting Australia and ANDRA are united in their desire to see motorsport properly governed with safety as the number one priority.

The AMC is aware that there is a very real risk that non-compliant and rogue organisations that are not the pre-eminent representatives of a motorsport. They generally do not have the resources and/or sophisticated governance structures and safety systems that are supported by the Authorised Sanctioning Bodies, are taking short cuts for the sake of expediency or short-term profit gain or making poor decisions that are often the result of self-assessment of the facility that they use. Ultimately, such conduct compromises the safety of motorsport participants or brings the sport into disrepute. At the very least such non-compliant organisations are likely to seek and receive government support and resources that may better be allocated to other existing or prospective SSOs that can and do meet recognition criteria. In essence, this results in shifting much needed resources from the legitimate not for profit entities to those which lack transparency or credibility.



What are some of the practical issues or problems with the present situation?

As the process for recognition of SSOs has been somewhat ad hoc in past years, a number of motorsport organisations have been recognised as an SSO where their status is questionable.

It is apparent to the AMC, that state governments are increasingly starting to follow the Sport Australia NSO criteria, standards, and model for recognition (but with international affiliation being supplanted by NSO recognition.)

We note that there is a potential for some state government S&R/OOS to apply two sets of 'rules' to SSO recognition. i.e., they are applying rigorous standards to 'new' sporting organisations that are affiliated with an NSO and international federation, while continuing to recognise pre-existing organisations that have no affiliation with both an NSO and an international federation, despite State SSO recognition criteria specifically requiring that an SSO must be part of an NSO. It beggars' belief that an entity can be recognised as a SSO but not be part of a national framework.

State Governments provide grant funding to SSOs to develop the sport in the state which is conditional upon them meeting funding criteria that is closely aligned to SSO eligibility criteria. However, the AMC is aware that there are instances where funding has been made available to organisations that do not meet the criteria thus reducing the integrity of the funding program and reducing the pool of funding available to genuine applicants.

If SSO status is not applied rigorously or consistently it may lead to non-compliant profit based organisations compromising on safety measures, insurance coverage and/or proper governance of the sport. It may and has led to more than one motorsport organisation being recognised as an SSO for a sport.

The AMC queries whether it is possible or practical to have multiple sporting organisations recognised as SSOs for the same sport. In the AMC's view it would be difficult, if not impossible, for two sporting organisations to meet the SSO requirement to be recognised as the preeminent body for the same sport in a State.

If a motorsport organisation has achieved SSO status because it represents its NSO in a particular State and that SSO subsequently ceases to be affiliated with its NSO, then that SSO is unlikely to be able to meet recognition criteria set down by the State S&R/OOS from the date the affiliation ceases. Accordingly, it is important in the AMC's view that all SSOs must continue to meet recognition criteria and if they fail to do so then they should have SSO status withdrawn.

What are some of the ways these issues or problems may be addressed?

It is the AMC's view that all SSOs, both new and existing, should be affiliated with the Authorised Sanctioning Bodies as they are the only motorsport bodies recognised as the pre-eminent organisations in Australia by an international motorsport Federation which is a member of Association of IOC Recognised International Sports Federations (ARISF).

Alternately, an SSO should be made accountable to meet S&R/OOS recognition criteria that reflects NSO criteria published by Sport Australia on a continuing basis. They should also be required to provide a compliance certificate to the S&R/OOS on an annual or biennial basis, confirming that they meet the recognition criteria and to inform S&R/OOS if at any stage during the year they are unable to meet one or more of the criteria. Criteria should include but not be limited to the following:

- (i) It is the pre-eminent organisation responsible for the development of the sport in Australia and is accountable at the national level for providing its members with technically and ethically sound sports programs, policies and services.
- (ii) The organisation is not for profit and preferably has been a company limited by guarantee for a minimum of three years.
- (iii) Has produced financial statements and annual reports in accordance with their legal requirements for the past three reporting periods.
- (iv) Can demonstrate it has a national influence for the sport through active members or affiliate bodies working in cohesion and adhere to a strategic direction set by the national entity.
- (v) The organisation is accountable at the national level for establishing and enforcing the key policies that underpin integrity in their sport, including an enforceable Member Protection Policy and an enforceable and current anti-doping policy compliant with the World Anti-Doping Code.
- (vi) Can demonstrate it is the single national entity representing all forms of the sport in Australia from grass roots/community through to high performance.

To do otherwise will lead to sub-standard outcomes to the detriment of the motorsport community and the general public.

The AMC recognises that due to the dynamic nature of motorsport it is possible for organisations to fail to meet criteria from time to time, and accordingly it would be practical to allow such organisations a grace period of a month or two to rectify compliance with the recognition criteria.

Substandard Sanctioning Needs to be Brought to Account

The growing proliferation of substandard, profit based, self-proclaimed ‘sanctioning bodies’ that offer little in the way of safety standards and low value insurance poses a significant and growing risk for motorsport.

Many substandard sanctioning bodies or rogue clubs and associations (that run to solely self-assessed standards) repeatedly fail the test of ensuring that the sporting competition is always fair and conducted with safety and integrity as the highest priorities. Furthermore, they fail to offer quality motorsport specific insurance because of the costs associated with it believing that most of their participants will never know the difference. There are too many self-proclaimed ‘sanctioning bodies’ and ‘lone wolf’ sporting organisations across the motorsport spectrum that the AMC believes represent a serious risk to the future of Australian motorsport. They should not continue to receive credibility and recognition by government S&R/OOS and must be held to account.

Motorsport, its stakeholders, participants and our governments should not tolerate the combination of their poor regulatory framework, casual approach to safety, risk management, governance and integrity, most often coupled with, the desire to put profit before sporting development and safety and many with questionable insurance practices and policies.

With appropriate safety standards, controls and regulations, motorsport has proven to be acceptably safe. Motorsport must continue to offer a challenge for the competitors, and it should be interesting for spectators, sponsors, stakeholders, and media.

To achieve this, the sport’s administrators must balance thrills, risk, excitement, interest, skill with best practice safety standards and risk management strategies and principles.

Conclusion

The AMC believes there is an unjustifiable legal and reputational risk for all involved in motorsport while rogue or non-compliant organisations are recognised by state governments as SSOs or Authorised Sanctioning Bodies, despite operating under poorly designed and implemented safety, governance and risk frameworks. Governments need to recognise and support SSO’s that meet rigorous and consistent recognition criteria and put in best practice fit for purpose frameworks – often set up by world governing bodies and implemented by responsible NSOs – which are in the best interests of every motorsport participant.

Accordingly, the AMC believes that all sporting organisations seeking SSO status must be required to meet S&R/OOS recognition criteria that closely reflects the recognition criteria for NSOs set down by Sports Australia. In all but the most exceptional of circumstances, NSO and by extension, International Federation recognition and delegation of responsibility must be an essential and non-negotiable requirement of SSO recognition.

ⁱ FIA means the Federation Internationale de l’Automobile a member of the IOC Recognised International Sports Federations (ARISF).

ⁱⁱ FIM means the Federation Internationale de Motocyclisme a member of the IOC Recognised International Sports Federations (ARISF).

ⁱⁱⁱ Reference to the Federal Government shall mean some or all of the entities established by the Australian Government by legislation - Australian Sport Commission, Sport Integrity Australia and the National Sports Tribunal.

^{iv} “The SFI Foundation, Inc. (SFI) is a non-profit organisation established to issue and administer standards for the quality assurance of specialty performance and racing equipment. The primary users of SFI standards, or specifications (specs), are equipment manufacturers whose products are tested and self-certified to the appropriate procedures.” Source: <https://sfifoundation.com/about-sfi-foundation/>