

As organisers of three of the 2011 AORC events who are no longer part of the 2012 AORC that has been announced we have been fielding questions since the announcement of the 2012 calendar. It seems that a degree of misinformation and ignorance at all levels from volunteers, competitors, event organisers right up to AORCOM exists regarding our position. We believe last year was the saddest and most destructive year Off Road Racing has seen in many years and feel the relevant stakeholders need to know more of the background to enable a balanced opinion to be formed.

Our very strong AORC, with its big fields and confident investors, both team owners and sponsors, has been reduced to a three round series with two events in Queensland. A change from previous years when we have had to offer points and a half to encourage you to go to Queensland so late in the year.

For 2012 we have three events, who have signed ORRInc agreements that the organisers of Hyden, Finke Desert Race and Baroota feel unable to sign.

The AORC brand is in tatters, leaving events, teams, team owners, television sponsors, event organisers, not to mention our growing television audience and social media following, disappointed. This will have an ongoing effect on the value of cars and transporters. This affects all of us. Once the momentum we have gained in the past 4 or 5 years comes to a grinding halt, we may find that our organisers and promoters decide that enough is enough, and put their energy into other sports or pass times, or just give it all up.

So how did it come to this? Three of the best organised and most popular events that make our AORC a colourful Australian Series are missing from the calendar for 2012.

You may well also ask why none of the other iconic Australian off road events stepped up to fill the 2012 gaps. Some have been asked and have don't wish to partake. Surely the 2012 AORC should be renamed until it becomes a true AUSTRALIAN series. The inclusion of events from only two states cheapens the Championship.

We feel that no one can win with this scenario and the situation must be resolved if the sport is to move forward.

It's very easy to jump into the blame game but who would kick off this business year signing an agreement that not only obligated their business to reach unachievable targets, but offered little or no return for their efforts. The agreement not only requires the organisers to sign away the rights to promote their events and sponsors as they see fit, but offers no guarantees that ORRInc will do this effectively, or for that matter at all. Organisers are required to assume all of the risk involved in running an event, with no assurances of reward.

ORRInc was formed from a call by event organisers and teams to identify markets and sponsors to take off road racing out of the paddocks and into the lounge rooms of average Australians and bring financial assistance to events and teams. Teams verbally committed \$100k to get this moving but as no management plan has ever been produced, no money or sponsor has been developed and little transparency has been demonstrated, confidence has faded and the pledges dried up. The board of CAMS contributed \$50k in seed funding and in 2010 appointed Laurie Svenson (the CAMS board member with the portfolio for Off Road) to the board of ORRInc to help sort it out.

ORRInc has not managed to sort contracts with service providers to the championship including the merchandiser and the TV. (The 2011 TV funding came from Event organisers and or the TV producer.) This in itself caused problems with compromising sponsors to 3 rounds last year that remain unresolved. Whilst these issues remained unresolved ORRInc were asking the event organisers to commit to unrestricted access to their 2012 suppliers (incl TV).

We had expressed concern over the lack of performance of the ORRInc board last January when we hadn't received notification on the AORC calendar as late as Australia day (which makes it pretty hard to promote so late in the piece) but were assured that 2011 would see some results from ORRInc with the launching of the AORC website and new agreement. Understanding that ORRInc is also made up of volunteers, the events got on with the business of running 2011 and waited patiently. Unfortunately the website and new agreement only added to our collective decision to push for change.

In June the five events from 2011 registered an EOI to run a round of the 2012 AORC with an additional EOI from Laurie Svenson on behalf of the Brisbane Sporting Car Club to run an event in Inglewood QLD. All 5 existing events entered in "negotiations in good faith" with ORRInc but refused to sign the old 2011 redated agreement. One sticking point was the ORRInc directive to ensure no video was recorded at the event (impossible to police and basically silly in thought process) and provide AORC suppliers (incl TV) with access to the event.

In July, Baroota ran round 3 of the AORC at 6 weeks notice after Griffith cancelled. The infrastructure and event that was built by the Bentleys and Spencer Gulf club, at some personal sacrifice and ,on a promise of a three year deal to run AORC events, was a credit to all concerned.

In August when negotiations with ORRInc stalled, Finke wrote to the chairperson of AORCom Marilyn Emmins with complaints and to express a lack of confidence in the ORRInc. They received no reply.

Hyden wrote to the chairperson of AORCom Marilyn Emmins in support of Finke's document and expressed their lack of confidence in ORRInc. Hyden's email was copied to a number of stakeholders in an attempt to open the communication to more people, bring a level of understanding regarding the issues and increase the discussion. Unfortunately the responses that were received focussed on how the point was being made and not the content of the questions. Having received at least some response in writing, attempts were made to extend that communication by responding with some direct questions including some specifically to Laurie Svenson. They received no replies.

Millicent wrote a solid document again stating their lack of confidence in ORRInc and received no answer.

IN THE MIDDLE OF ALL THIS WAS AN OPPORTUNITY OF A FULLY SPONSORED TV PACKAGE PROGRAMME FOR SEASON 2012 AND BEYOND. The very thing ORRInc was created to achieve, but it couldn't happen until the ORRInc Management changed, as the sponsor had no confidence in the ORRInc chairman.

Daniel Rogers (Deputy Chairman AORCom, Commissioner for WA since 2002, Clerk of the Course for Hyden, Finke and Goondiwindi in 2011) wrote a to his fellow AORCom commissioners regarding the 2012 calendar taking into consideration numbers and facts on who attends and from where and AORC growth areas. Presumably, because he questioned the merit of a sixth round and the motivation of the BSCC, Daniel received a response from Laurie Svenson (who was not an addressee on the correspondence) questioning his reasons for initiating a discussion with his fellow AORCom members.

Ultimately, BSCC signed the ORRInc agreement and secured Gundy's traditional date based on the fact that they were the ONLY event to sign the ORRINC agreement. This annoyed the other event management teams from the outset while they were still attempting to negotiate with ORRInc.

Mr Daniel Rogers, wrote to his fellow commissioners expressing his frustration citing he wasn't comfortable with the calendar process, the outside interference and influence in that process and the Chairman's lack of consultation with board members and event management. Daniel did not receive any written support from fellow AORCom members and ultimately tendered his resignation.

It is important to note that a contract with ORRInc was **not a requirement to run an AORC round** as incorrectly written in the two ORRInc newsletters (edition 1 - Oct 2011 and edition 2 - Dec 2011). The expression of interest document required event organisers to be willing to enter into "negotiations in good faith". **It did not require a signed document.** AORCom could have set the calendar as has been done in previous years, without these documents.

At the close of time frames to sign the ORRinc contracts, all five events from 2011 had not signed, yet AORCom chose to use those contracts as part of the decision making process for the calendar - that was when this whole mess turned South - and it just did not make sense given the ongoing negotiation the events had with ORRInc and the feedback the events were giving about lack of communication (and 5 organisers had said it needs work)

Until the BSCC (initially for a round at Inglewood) signed, **no AORC event** has had a signed contract in any year with ORRINC. They were rejected for 2011 and the document that came forward for 2012 was, despite assurances from ORRInc that they would work through the issues that the organisers had, essentially the same document that was presented and rejected for 2011. The issues still existed and no attempts at good faith negotiation were forthcoming from ORRInc. Don't be fooled by the line about organisers not wanting to give away commercial rights - **ALL OF THOSE ISSUES COULD BE MANAGED IF COMMUNICATION AND NEGOTIATIONS ARE HANDLED PROPERLY**. Finke was one that had the biggest issue and so they should. The 'Finke' brand has significantly more value than the 'AORC' brand. The issues needed to be managed and there was no ongoing management in previous years or this year, culminating with an issue at Finke 2011 that has still not been resolved.

The calendar was partially set when Gundy signed an agreement in late October and had nominated a conflicting date with Baroota. This left Baroota on a collision course with Hyden to take their date. It also left a calendar with only two events, both in QLD - 10 weeks apart! When given what amounted to an ultimatum, four events withdrew their expression of interest. Finke, Baroota, Pines and Hyden chose to work together to bring it to a head so the issues could get resolved and not lay over to next year, as they had done so in previous years. In order to resolve the issues the organisers were willing to risk running their events individually without the AORC, if they had to.

The CAMS CEO contacted the event organisers after the expressions of interest were withdrawn. In conversations with the CEO there were pleas from the organisers to give something to take back to the group that gave an indication of willingness to change. This included a potential change of management (although it was explained we felt it was their call to make) at ORRInc, AORCom and portfolio holder level to clear the decks, fix the communication issues and move forward. We received little concession except to be told that everyone was committed to a solution and we needed to go to a face to face meeting in Melbourne on the 10 DEC with the AORCom chair, ORRInc chair and portfolio holder (the same people we all had issues with). At that stage representatives from each of the organiser groups met by teleconference and decided that we had to spell out exactly what would be required to the CAMS CEO. This was done, and it included a written request for that management change along with other quite reasonable requests to come to a resolution. His response gave us little of what we asked for. Could they not see the need for that change and make that decision themselves? Or at least give us a strong indication there was a willingness to change by asking us to deal with different people? Not one past issue was discussed, nor even acknowledged.

In the meantime someone (either internally or externally) has convinced the Pines to split from our group and agree to run an AORC round. Whilst, we are genuinely happy that they have

achieved a compromise, it has meant that any form of negotiation as a group to solve the issues that have been affecting us for many years has become almost impossible. We have asked the Pines to let us know what they were able to achieve in their negotiation and if they were able to negotiate for the entire group and have not received a reply.

Finke, Baroota and Hyden now stand together wondering what to do next. We were reached out to by some board members of ORRInc and were attempting to negotiate an outcome. This has since been railroaded as the 2012 calendar has been announced and those ORRInc board members have been told no changes will happen. We have pushed this as we felt it needed to be and do not regret one thing that we have done. We accept that our stance has forced the issue, but it was essential to change as it was costing the events big dollars and the AORC would not grow under the existing arrangements. Event budgets range from \$180-200K and beyond - organisers put their clubs on the line every year and growth or improvement is essential. We know of a number of people who had access to big dollar sponsorships that would not be brought into the events or AORC under the 2011 structure. Sadly the 2012 structure does not address these issues.

The result is a train wreck, but we always said it had to break before it could be fixed. Unfortunately the ambulance is not coming. We have three great events and feel that if we do the best by our events we could well dilute the AORC, and that was never our intention. If that is our next step then so be it but no one can suggest we have not been acting in the sports best interest.

As event organisers, we feel that many stakeholders have been led by misinformation to form an opinion that as events we have derailed this process. This is not about reputation it is about our sport and our main driving factor was for the events to push for the changes that events, competitors and contractors have been screaming for. By announcing the reduced haphazard 2012 calendar, the sports management has effectively written off all of our concerns and opinions that are based on a massive collective experience. We are all volunteers and the personal sacrifices we have made to run the professional events that we do entitles us to have an opinion, be listened to and receive responses. We feel that we have been ignored, stabbed in the back and in some circumstances our efforts and names have been tarnished. This action, (we will be told) is irreversible and they considered all options before making this decision. No, this action removes the events that were asking the difficult questions and is the death knell for the AORC.

The Christmas message from CAMS CEO David Morgan stated "Our strategy throughout the year has been focussed on getting the organisational fundamentals in place, so we are well positioned to pursue growth opportunities to benefit our sport"

His "on the road to developing a yes we can culture" needs a pit stop and service to say the least. Actions speak louder than words, and some action would be timely.

There isn't much more we can do without a major backing or support from you. Our volunteers and sponsors deserve a lot better and will need your full support and encouragement to be a part of rebuilding something great.

We are fast running out of bullets and time and as an investor in CAMS and the sport you have a say and should exercise your right.

Has the sports management done the best for your investment?

Has ORRInc achieved its goals and targets?

Should a sponsored television package be let go so the hard questions do not need to be answered and reputations remain intact?

Should the competitors have been consulted in this process?

Has the CAMS board assessed the situation correctly and given Off Road the correct decision and support to move ahead 2012 and beyond?

We feel far from supported and the lack of respect shown to our events staff, sponsors and volunteers has not gone unnoticed by many. WE WILL NEED A SIGNIFICANT CHANGE IN ATTITUDE BY THE BOARD AND THE COMMISSION A TO REGAIN THE MOMENTUM TO GET THE AORC BACK ON TRACK. YOUR INTERVENTION IS NOW REQUIRED.

TIME TO FIND A VOICE AND ACT.....

Hyden 450

Finke Desert Race

Flinders 450