



Mackay and District Kart Club Inc
PO Box 6870, Mackay MC, QLD. 4741
Email: secretary@mackaykartclub.com
Phone: 07 49533 331 / 0457 748 793

To All Clubs And Delegates

RE: KQ Breach Notice

MKC wish to inform all interested parties that the Mackay Kart Club is 100% committed the KA sanctioned events the Mackay Kart Club have been allocated for 2018. Mackay Kart club also wishes to confirm the intent to run NON KA Sanctioned events for the reasons following.

The Mackay and District Kart Club will run an event on a day that is purely intended to be a fun day for its members, and the broader karting community. The day will include basic races of karting classes from the current, and former KA regulations, under a format that MKC determines. The karts that are used on the day will be either current KA regulated, or previously regulated, and will be scrutineered by our trained professionals to be safe, and suitable for the purpose of racing. MKC sole intention is to bring people back to our club, by offering a low-cost alternative, using existing equipment that people who have left the sport still currently own, or for people who cannot afford to race a kart under the current specifications, to be able to enter and enjoy our sport. The event, although competitive on a local level, will not be included in any championship points under KA, KQ or MKC regulations.

The MKC sole purpose of these events is to provide a fun, low cost and entertaining day, that might encourage people back into the full KA regulated classes, and to help our club prosper into the future.

THE FACTS

At a Mackay Kart Club (MKC) general meeting in January it was agreed to attempt to fill the void in the race 2018 Mackay KA Sanctioned Race Calendar with NON AKA sanctioned events. The final Calendar of 6 club meetings and two Title Style Meetings is not going to a viable option for MKC. At the same meeting and at meetings since it was also requested that these NON AKA events not be promoted in a way that undermines the MKC's KA sanctioned events.

Members reiterated repeatedly that the Club was to remain affiliated with Karting Queensland. The MKC management committee was tasked with notifying KQ of the MKC's intention to run NON AKA sanctioned events.

Shortly after the January meeting the MKC, posted on face book, seeking expressions of interest in an event that featured the Yamaha Classes on a low cost tyre and pre TAG ear specifications.

At the January meeting MKC members voted to take the option to purchase the NEW Timing System rather than sign the Karting Regulators agreement.

2018 MKC BUSINESS PLANNING

In the following weeks interest in these NON AKA events swelled. The Moranbah Track rebuild has re-energized the Karting Scene in Moranbah and surrounding areas. This has generated a market for the MKC in 2018 while the Moranbah track rebuild is in progress. Local Mackay Karters who did not transition from the Yamaha Classes to the TAG era pledged support in droves. In summary it is what Mackay Karters (MKC Customers) are asking for and it is the only logical way forward for Karting in this regional area.

The rigidity of KA class weights, number of classes and kart specifications limits class sizes and in our opinion led to the reduction of the support of Club Shows in Regional areas. What MKC customers are clearly asking for and the MKC as a whole need is a few events a year that:

- Add an additional income stream to the Mackay Kart Club and the businesses that support karting in our local area.
- Entice ex members, who did not transition from Yamaha Class Racing to the TAG era, back to the sport
- Increase field sizes to make the racing interesting to compete in, watch and in turn generate interest and memberships

- To attract existing non current drivers back into the sport – Current members who have TAG era equipment who do not compete because their category is low in numbers, the tyres for their class have a short service life and so on.
- Offer a cost effective entry into the sport

The MKC developed budgets and cash flow forecasts with and without the Non KA Sanctioned events in 2018.

Clearly demonstrated the income stream from KA Sanctioned Events and the Non AKA Sanctioned Events were required to achieve a positive result for 2018.

Showed that when the club was prospering club show participation numbers were consistently above 60 per meeting and there were two bigger events that had support numbers over 100. The MKC club show participation numbers have fallen to an average of 25 in 2017. Any business that has the same fixed expenses and half the turn over is not going to prosper. MKC also looked at a business model that included the Yamaha Classes in the KA Sanctioned Club Show days. Presented it to the customer base. The additional cost to make karts 2018 KA compliant the tyre selection for classes, the rigidity of class weights were all topics the caused an uproar from customers who had pledged support of the NON AKA Sanctioned Event Concept.

So the 8 KA Sanctioned Events and the NON AKA Sanctioned events was the 2018 Plan for the MKC.

NEXT STEPS

The MKC President Contacted the KQ president by phone to discuss the MKC's intent to run some Yamaha Class featured events in 2018 to fill the KQ depleted 2018 race calendar. In the same discussion the timing system purchase.

The MKC President then e-mailed the KQ president, 8 Feb, a summary of the conversation.

The KQ President replied to the mail the same day basically talking about the reasoning for the shortened race calendar. There were no words around the pressing issues that were the Timing System Purchase and the Non AKA meetings.

The MKC president tried several times to secure the timing system in the following weeks. In the later stages to the point where the MKC President requested an Invoice several times at the Cost, \$8700.00 that MKC felt included the TAX for not towing the line.

There was no further written correspondence from the KQ leading up to the MKC's February race meeting.

Just prior to the MKC's January Race meeting Mackay Kart Club made arrangements, as asked by KQ, to return the MKC's current Timing System to KQ. It was sent as it was communicated the system had some trade in value. At this point KQ held all the aces in the timing system debacle. We formally request the system be returned to the MKC or the preferably the Invoice for the new Timing System sent to MKC and the system freighted to MKC with due diligence.

The MKC had to borrow a system and spend money on a timing system expert to run the KA meeting in February. The meeting had 27 Local Competitors and 5 Visitors.

On Sunday 18 February the MKC Secretary received a Quotation from the KQ Secretary for the timing system. The dollar value was \$8,700.00. The quote was made out to Karting Australia from My Laps Timing. The quote included banking details for MY Laps Timing.

The MKC President again requested an invoice that was made out Mackay Kart Club to date this has not been received.

Thursday 22 February MKC received correspondence direct from the KQ Secretary on a KQ letter head indicating that MKC's KQ/KA affiliation may/would be terminated if the MKC did not cancel the planned MKC March 10 NON AKA event. The KQ Secretary circulated the Breach Notice to the world as the first correspondence on the matter since February 8 despite multiple attempts to reiterate to KQ that the MKC's commitment to KA and to non KA events had the best interests of Karting at the forefront of the decision making process.

The letter has been received by MKC as a blackmail bullying tactic by KQ to bring MKC into line with KQ's failing protocols.

MKC have asked what rule in what constitution or what rule in the current KA rule book MKC will breach by being fully committed to the allocated KQ events for 2018 and running NON AKA sanctioned events under a MKC insurance policy in 2018. As yet no response has been received.

Contained in the same Breach Letter MKC is advised that there are 2 clubs asking questions as to why MKC should not be stripped of the State Cup Event. To those clubs we sincerely hope that the information you based your decision on was misleading and formally request the show cause be withdrawn.

MKC is in the final stages of the arrangements for this event. The event will have already been tarnished by the rumours and individuals opinions and MKC can not afford any more delays in the posting of sub regs and arrangements.

MKC General Meeting 22 February

MKC members have asked – What can we do to keep KQ happy and still run the Yamaha Events.

Suggestions have been made to have a

- Company - Hire the Track
- A Non Affiliated Kart Club Hire The Track.

The MKC President will prepare a proposal to the KQ President by the EOB 26 Feb.

MKC will do what is necessary to deliver a positive outcome for the 2018 season.

Summary

- MKC do not believe that any Constitutional Rules, Affiliation requirements or KA rules have been breached
- MKC have always intended to fully comply with the sanctioned KA race meeting and have communicated the same to KQ and will defend the State Cup Event for Mackay vigorously.
- MKC have agreed to pay the original cost of the timing system outright despite push back from members to pay more than the written quote from the KA CEO. To date still no update from the request for an invoice.
- MKC, as owners of the Karting Precinct in Mackay, will make decisions that ensure the property owners financial stability and as bi-product the continued support of the Karting Industry as a whole.
- MKC considers the claims that the best interests of Karting are not being considered when making these decisions as a ridiculous statement. Planning to continue to allow participation levels to drop, reduced events and stalling financial situations does not have the best interest of Karting in mind.

In Conclusion:

Have attached a cash flow/budget spread sheet. Is basic but did assist MKC work out what the real effect of:

- Nomination rate increase/decrease
- Increasing and decreasing the number of events
- Participation numbers required to cover costs
- Club membership rate increase/decrease
- Planned maintenance and improvement cost impacts

If it is of use to your club great. If you have a better one can MKC please use it.

Regards,

Bevan Garioch
Mackay Kart Club President.