

## AKA Ltd NATIONAL OFFICE

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30 December 2013

## AKA Ltd END OF YEAR UPDATE - 2013

### The First 4 Months

The first four months of AKA Ltd's control of Karting in Australia has involved an enormous amount of work by the Board and new management of the sport.

The challenges of transiting from the federated structure of AKA Inc to the new governance model of AKA Ltd have been many and they have been varied. Deliberately the Board decided to accelerate the process so as to move out of transition by the end of the year. Key milestones for us have been:

- All States and Territories signed up to the MOU with AKA Ltd by mid-November;
- Development and release of the new structure for AKA Ltd that provides for an appropriate governance model for the sport of karting and the business of karting in Australia;
- Development of Standing Orders for the identified Key National Officials and the major national committees of the sport;
- Appointment of our Key Officials;
- Calling for applications/nominations for new members of all of our committees. The finalising of most positions on those committees is expected to be filled very early in the New Year;
- Establishment of the AKA Executive Commission which will meet for the first time in the New Year.

### Insurance

OAMPS have been appointed as the new Insurance Broker for all of AKA Ltd's business for the next 3 years. Their appointment was made following a robust tendering process that involved most of the main sports insurance brokers in Australia.

Working on a tight time frame they have developed an enhanced insurance product, taken it to market and provided us with what we believe will ultimately be proven to be a greatly improved level of service and management for our sport. **All insurances are now in place for the year ahead.**

There will be a greater emphasis on the implementation of risk management practises, enhanced claims management and service through a web site portal that will streamline our insurance processes with targeted long term benefits.

OAMPS is an Australian owned company with a presence across the country in many of the locations where our Clubs are based. Service is paramount to them and we see them as being an excellent fit with the AKA. They are also the insurance brokers for CAMS and ANDRA and they have significant motorsport experience.

### 2014 Karting Manual

We have undertaken a major review of the AKA Manual. While necessary to ensure compliance with the new structure of the company it provided us with an opportunity to review the contents on the

Manual and to ensure that as our rule book, it contains rules that are consistent with the objectives of the AKA, that are consistent in terminology and format to the ISC, use correctly defined terms and that do not record administrative policy and statements that are not regulatory in nature. The Board's view is that our Rules must be clear, unambiguous and reasonable so as to ensure equality in the sporting competition and they must also be enforceable.

This has been a major project that has taken hundreds of hours of work and that will ultimately lead to a clearer, less ambiguous, more concise rule book through which we will control our sport.

**The Board met this morning and ratified the 2014 Manual.** We are now doing the final tidy-up and reformatting so that we can upload a pdf version to the web site. The printed version will be prepared and printed during early to mid-January. We will also prepare and upload to the web site a marked up version of the Manual detailing the changes from 2013 to 2014.

The changes to the printed Manual are extensive and as it is the first rule book promulgated by AKA Ltd, it will be a completely 'fresh' document without mark-ups.

### **Non-Rules Removed**

'Non-rules' that have previously been located in the Manual and that will serve the sport better as policies that sit behind the rule book and through which the Board may administer the sport have been removed from the Manual e.g the supplementary regulations format has been removed and will become a pro-forma document, the non-sporting and regulatory elements of Chapter 20 have been removed and will become the subject of policy that is under development.\* See **Executive Commission Notes in the On-going Work Section Below.**

### **CMS**

Automated Credit Card processing through the CMS system was elevated to a priority project by the Board. It has been in testing for several weeks. All States will be required to establish the requisite banking details/merchant facilities as will be advised separately to be able to utilise the facility that will be completed largely on target by early in the New Year.

### **2014 Fees**

During our Board Meeting this morning the fees for licences, permits and judicial matter were considered.

The Board accepted that the fees for national licenses and Organising Permits for events should be increased in line with CPI figures (rounded to the nearest whole dollar.) Notional increases have been made to international licence fees and judicial fees.

**The schedule of fees for 2014 as approved by the Board today are attached.** Also attached is a copy of the fees that will be uploaded to the AKA web site that indicates that people should refer to their State Associations for Licence fee details that are applicable to them.

### **Sixth Director**

Following the development of the new structure of AKA Ltd and the position description for a sixth Director the Board called for people to apply for this role. The position was advertised with various executive recruitment and Director Organisations.

Following review of all applicants, interviews with a short list of well-known karting people and people who would be new to the sport, and completion of all Constitutional requirements for an AKA Ltd

Director, the Board has this morning ratified the appointment of Craig Denton to fill the sixth Directors' role.

The Board felt there was a need for high level karting knowledge to be included as a requisite skill along with extensive motorsport experience. The Board looks forward to his work with them to redefine the shape of both the sport and the business of karting in Australia.

### **Functional Committees**

We expect to finalise the initial appointments to our 2014 Functional Committees during the first week of business after the national Office re-opens in the second week of January.

### **CAMS Delegation Of Authority For Karting**

The annual delegation of authority meeting with CAMS was extremely well received. The completion of the transition to the new governance model was viewed as being both desirable and essential.

### **Board, Executive Commission and Key National Officials Meeting**

We would like to conduct a joint meeting of the Board the Executive Commission and the Key National Officials at the end of January. The purpose of the meeting will be to establish the tone and feel of the sport for the year ahead and to set the ball rolling for 2014

### **Track Development Fund Trust**

For whatever reason, there appears to be some mis-information circulating amongst some people about the intention of the Board towards the AKA Track Development Fund Trust.

For the sake of absolute clarity and for the avoidance of doubt, any and all matters concerning the Track Development Fund Trust are governed by the AKA Track Development Fund Trust Deed. This is a Trust established in 2005 that will survive AKA Inc. The various State Associations as at the date of settlement of the Trust were then and still are the "Specified Beneficiaries" of the Trust. AKA Inc will shortly cease to exist. AKA Ltd has been appointed as a New Trustee of the Trust so as to ensure that all of the assets of the Trust are properly controlled and the legal responsibilities under the Trust Deed are continued to be fulfilled.

The Trustee is bound by the terms of the Trust Deed. The terms of the Trust Deed have not changed in any way. The Trust Deed requires that the funds of the Trust are to be maintained separately from any other bank accounts and that they are to be used in accordance with the law and the provisions of the Trust Deed.

The Board and Management of AKA Limited have adopted a very strong position with respect to the application of correct governance principles, to the control and management of our sport and its business and intends to apply the same standards of governance to its responsibilities as Trustee of the Trust.

### **Ongoing Work**

Early in the New Year the Board will be considering drafts and ratifying final drafts of new policy documents including:

- Board Charter
- AKA Tribunal Standing Orders
- Member Protection Policy
- Code Of Conduct
- Travel, Accommodation, Remuneration and Expenses Policy
- Homologation Procedures Policy
- Officials Appointment Policy

To enable the Board to make its decision from a rational, facts based position, we have initiated a statistical review of the sporting side of karting. We are also reviewing the business side of the company. We are developing and implementing administrative controls and improvements to the business efficiency, compliance, risk management and governance of the business.

The need for the Board to consider various propositions, to deal with real statistical detail and put the decisions into the context of what is likely to be best for the sporting side of the business and what is likely to be best for the business side of the sport has resulted in a number of programs and decisions referred from AKA Inc being put on hold.

These include: Kids Karting, The two ‘future engine’ programs that were being worked on under the former AKA Inc structure and the allocation of the National Sprint Kart Championships past 2014.

The Board understands the short term inconvenience that such holding positions create but feels that in these matters it has been the responsible decision to make so as to allow for the appropriate reviews, broader considerations and business cases to be developed and considered.

**The Executive Commission will play a vital role in assisting the Board to form its final views on these and other issues in the New Year.**

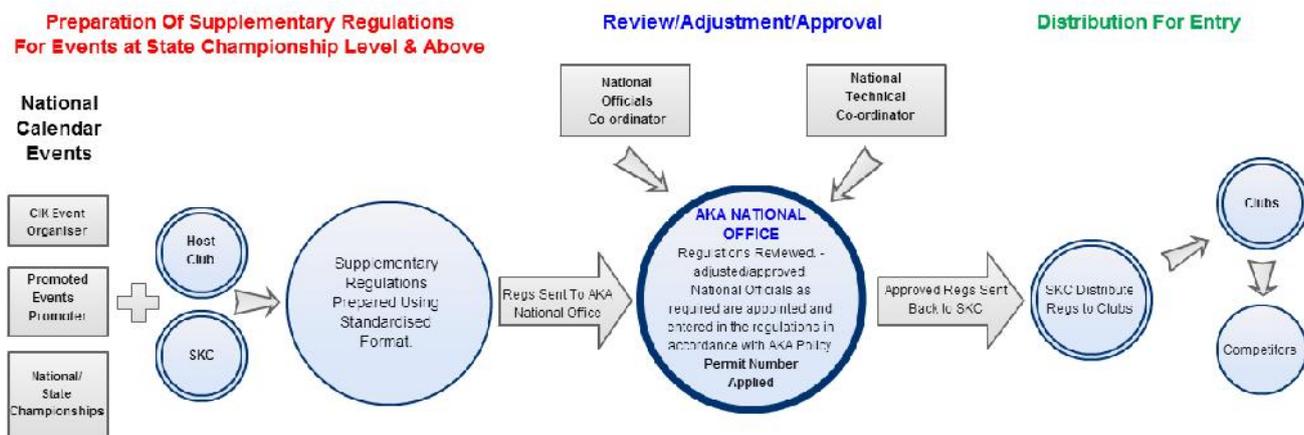
### Supplementary Regulations (National and State Championship Events) Approval Process

All events on the National Calendar of events will be subject to review and approval under the following process and in accordance with the rules in force for 2014.

Supplementary Regulations should be forwarded to Sue Wallace in the National Office at least three (3) weeks prior to the scheduled release date for the regulations. The requisite Permit Fee should accompany the Draft Supplementary Regulations as prescribed in the Rules.

They should follow the standard Supplementary Regulations Format and all classes scheduled for competition must be in accordance with the Rules.

Following is a graphical representation of the process that will be followed in developing, submitting, reviewing and approving all Supplementary Regulations required to be approved by AKA.



## **DATE CLAIMER**

**31 January to 2 February, 2014 (venue to be advised)**

**AKA Leaders Forum**

Moving into the New Year the **Board** intends to convene a gathering of the **Executive Commission** and our **Key Officials** so that we can begin to outline our vision, share our pivotal messages and start to workshop our sporting review and development.

We want to be able to facilitate discussions about important issues such as:

- What karting should look like in the future.
- How can we grow the sport?
- Our strategic direction for the sport?
- How and why we must provide our customers with an all-round better package and better value for money at our events.

### **Executive Commission**

We will set the initial agenda and process for the Commission including amongst other things to be discussed concepts for the future of the sport, essential projects, reducing the churn rate and the format (2015 and beyond) for the National Championships and State Championship.

I will provide further details as the planning for that weekend develops but if members of the **Executive Commission and the Key Officials** can put those days aside in your diaries now, it would be appreciated.

**Best Wishes for a Happy New Year  
Australian Karting Association Ltd**

**Kelvin O'Reilly  
Chief Executive Officer**