



**Australian Karting Association  
International Karting Committee  
PO Box 4222  
PENRITH WESTFIELD NSW 2751**

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Friday, 22 February 2008

Dear Team Owners,

You will have received the minutes of the meeting on 2<sup>nd</sup> February 2008 and you probably won't be surprised to see that the minutes don't bear resemblance to what actually occurred in many respects. Nevertheless, the IKC's position has not been made clear and you should be informed of the views we came to after 6 months of intensive research and work involving some very skilled personnel who were very focused and real world best management practitioners from the business community that came in to help John and I restart the CIK process. **In short, the IKC believe the 2008 series should be cancelled and have been saying so since 16 January.**

As the minutes note, John McCleverty and Ralph van Doorn did not attend as IKC members and that's because this was not a meeting of the IKC or a meeting called by the IKC.

It was called by the Secretariat against the advice of the IKC.

The President's ( Richard Erdmann's) opening is misleading. He gives the impression that the meeting was just the next phase in the process for the 2008 series when in fact the IKC had already advised the NKC to cancel the series.

Whilst not really important, the minutes timeline is incorrect. The RV/RE plan was put to the NKC on 23 June 2007. The vacant IKC positions were filled at the AGM on 24/25 August 2007. Expressions of Interest were in hand from 16 teams by 6<sup>th</sup> September 2007. The teams were then updated monthly as things started to happen to the point where we sent you the yes or no email on 11<sup>th</sup> Jan 2008 and teams responses were the basis of the advice we gave.

**Here is that letter.**

16 January 2007

To: NKC Delegates  
Secretariat

**Re: Cancellation of 2008 CIK Series**

*It is with some regret that we inform you the best number of teams we would expect to participate in CIK 2008 is 11 and therefore, 22 karts on the grid. Note we say 22 is the best. It is very likely one or two further teams would not start.*

*Revision of the budget based on that number shows a loss in year one of \$59,000 reducing to \$16,000 after year two. Whilst the committee's view is the expense is justified to build, package and promote the reintroduction of CIK in Australia, and in a way and in places where it's likely to generate the most interest in CIK participation by karters and attract new karters, the committee does not believe a package of 22 karts supposedly showcasing the premier level of karting in Australia is good per se and does not warrant the likely deficit financing equation. Furthermore we do not consider that a field of only 22 does justice to a prestige event, which we, on behalf of our sport, were endeavoring to promote.*

*The committee therefore recommends the 2008 CIK series be abandoned and immediately.*

*The committee believes the lack of support by the industry teams means we need to change tack and we started on that on 27 December. We need to get to the karters who might be interested and are prepared to spend \$10k pa to run at the highest level and be handsomely rewarded for it by the marketing and promotion package we have put in place. If we have 32 drivers, we then place those in a 'vacant' chassis left by the teams that aren't participating.*

*The committee further believes we should simply carry on from where we are now, see what returns we get from our driver invitations, send more out when we get the data from NSW and see what it brings.*

*It's quite possible we might be in a position to sign up 32 drivers by mid year in which case the engines could be purchased and we could have 2 events set up as a teaser for 2009.*

*International Karting Committee*

The IKC haven't changed their opinion. The last thing CIK racing needs on reintroduction is a half size field and AKA style promotion. (read little to none).

The way the some of the Secretariat are pursuing this now is no better than what occurred in 2002 – 2005 when it died last time. The class needs to be marketed and promoted as the pinnacle of karting in Australia, as the stepping stone to professional motor racing and in a package that attracts karters interest in competing.

From the very outset in June 2007, we told the NKC that done the right way, the package could be used to attract more interest in karting from outside and in regions where we will get the best media and community penetration. Racing in capital cities will not achieve this. We've developed this strategy

with marketing and promotion experts to get karting featured in a community's tourist and promotions fabric.

What you've got in front of you now is barely a shadow of the IKC concept that could not be promoted even remotely successfully as it should be, and cannot achieve any of the objectives the IKC set for it and the NKC endorsed. Attached now is our letter to the NKC following the AKA meeting.

We hope all this makes the picture clearer. We do not want anyone under the misapprehension that the IKC supports or is going to run the series or that it is going to be run like the IKC planned it. That is not the case and you haven't been told what the new plans are. Furthermore, you are not necessarily going to get the benefit of the marketing and promotion package planned by the IKC simply because the lack of numbers will mean the whole image will be downgraded.

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*National Karting Council  
National Delegates  
AKA Secretariat  
AKA Members  
IKC Committee*

*Wednesday, 6 February 2008*

**CIK SERIES 2008**

*Dear Sirs and Madames,*

*The AKA released a statement yesterday concerning a revamp of the 2008 CIK series.*

**That proposal is not from the IKC and the IKC does not agree with it.**

*The IKC came to the view on 11 January 2008 that the 2008 series is not viable and we informed the AKA and the NKC of such and the basic grounds for coming to that view on 16<sup>th</sup> January 2008. The IKC also made a recommendation to continue the work that's been started on various fronts for the series and aim for commencement in 2009.*

*That letter was not circulated as we requested and is therefore attached. (see letter 16 January to NKC)*

*The rationale for the IKC's decision was threefold:*

*Firstly, that NKC approval was given based on a return of the AKA's investment over two years but revision of the budget based on 22 competitors at best shows a loss in year one of \$59,000 reducing to \$16,000 after year two;*

*Secondly, that the NKC direction to the IKC was that a minimum of 24 competitors was required and this number had not been subscribed;*

*Thirdly, whilst the committee's view is the expense is justified to build, package and promote the reintroduction of CIK in Australia, and in a way and in places where it's likely to generate the most interest in CIK participation by karters and attract new karters, the committee does not believe a package of a likely best 22 karts supposedly showcasing the premier level of karting in Australia is good per se and does not warrant the likely deficit financing equation. Furthermore, the committee does not consider that a field of only 22 does justice to a prestige event, which we, on behalf of our sport, were endeavouring to promote.*

*The IKC is also of the view, that as a committee appointed by the NKC, it cannot act contrary to the authority it was given and cannot participate any further in what the AKA has announced without the NKC firstly deciding that it will support the revamped series proposal announced by the President.*

*The IKC that put together the original series proposal attracted significant support from experts in a number of areas including advertising, promotion, marketing and marketing management. That expert advice is being ignored and the NKC needs to listen to it's appointed experts and specialists or it may again suffer as it has when it's technical committee has been avoided: ARC went into clubman without going via the tech committee as did the noise rules, then Rotax was enacted without going through the techs as was Leopard and no one will forget the JMax fiasco.*

*Unfortunately, it doesn't appear the Secretariat at least, accept the IKC's advice as they have displaced the IKC, proceeding with their own modified plans to get some sort of CIK racing on the tracks in 2008. The IKC wish them all the very best and sincerely hope they don't lose sight of the necessity for the reintroduction of CIK racing to succeed and show the class and the sport at it's best.*

*The IKC's hands though, are tied by the direction given by the NKC and the IKC believes it must be the NKC which reconsiders that direction before anything more occurs as regards CIK in 2008.*

*Yours faithfully,*

*International Karting Committee  
Australian Karting Association*

*John McCleverty  
Ralph van Doorn  
Gary Light*