

## B11 NATIONAL INFRASTRUCTURE DEVELOPMENT FUND

Scheduled Reviewed Triennially or as required

Date of Board Approval 28 November 2022

### BACKGROUND

The origins of the Infrastructure Development Fund stems from the Track Development Fund that was established in 1994.

The original concept, intent and principles under which the Fund operated from its inception and that are recorded in the Minutes of the 1994 AKA Inc Annual Conference, are as relevant today, more than a quarter of a century later as they were at the time of the Fund's inception.

*"The concept of the Trust Fund is that each and every competitor makes a VERY SMALL contribution to the building of karting facilities each time they use a facility. For the system to work effectively in the shortest possible times, from inception, the following criteria are required:*

- Large contribution base
- Low cost to the competitor
- Utilisation of available funds

*Because of these criteria the system will not be as effective if it is undertaken on a State by State basis.*

*The system must be considered as a national system where each and every Karter contributes equally to the construction of new and upgrading of existing facilities."*

### 1. PURPOSE OF THE FUND

The National Infrastructure Development Fund (**Infrastructure Development Fund**) has been established to provide funding assistance to Australian Karting Association Ltd.'s ("**Karting Australia**" or "**KA**") Member States ("**States**"); and through them to the affiliated Clubs ("**Clubs**"); assisting them to partner with local stakeholders to improve karting facilities and facilitate increased participation in the sport of karting in Australia.

### 2. OBJECTIVES OF THE FUND

The objectives of the Infrastructure Development Fund are:

- To assist States and Clubs to develop quality, sustainable karting facilities.
- To ensure a strong community base for karting at all levels.
- To create quality and safe environments that increase karting participation.
- To assist States and Clubs in securing or leveraging a financial commitment and support from the various levels of government, other sport user groups, sponsors, local community and business organisations, and/or other strategic partners to contribute towards funding the development or upgrade of karting facilities.
- To reduce State and Club application costs/efforts by providing an application form that will generally satisfy the submission requirements of other funding bodies including Governments at various levels.

### 3. STRUCTURE OF THE FUND

Karting Australia has established the Fund with the following structure:

- Karting Australia is the Manager and Operator of the Infrastructure Development Fund;

- b. The Fund will be operated and protected within the terms and conditions of the Karting Australia's Bylaws;
- c. The Fund will be operated for the benefit of all Australian States and Territories and their respective Clubs;
- d. The capital and income of the Infrastructure Development Fund is held by Karting Australia on behalf of the Fund;
- e. The source of capital funds for the making of loans:
  - i. Funds transferred by TDF beneficiaries to KA for use by the Fund;
  - ii. Future Driver levies;
  - iii. Interest from investments;
  - iv. Bequeaths and philanthropic donations.
- f. A separate interest-bearing bank account will be opened in the name of **Karting Australia Infrastructure Development Fund**;
- g. Karting Australia will determine the investment strategy of the Fund from time to time but will generally take a conservative approach to investments;
- h. The Fund will be shown as an asset on the KA balance sheet.

#### 4. **PROCESS OVERVIEW**

- a. Karting Australia will assess applications from State's and Club's (together with their affiliated State as required under the Bylaws) for funding under this program and will notify the applicant(s) of the outcome.
- b. Karting Australia will assess the merit of each application based on the assessment criteria within these guidelines.

#### 5. **FUND RULES AND ELIGIBILITY CRITERIA**

##### 5.1 **Who Can Apply?**

Applications can be made by Affiliated State Association's and/or Affiliated Clubs (with the support of their State Association) provided that:

- a. The applicants do not have any overdue amounts, levies or debts owed to Karting Australia and/or the State Association; and
- b. The applicants are in compliance with Karting Australia's Rules, Affiliation Requirements, Regulations, Policies and Procedures; and
- c. The applicants must have achieved Level 2 KARM status; and
- d. The applicants are considered by Karting Australia to be of good standing within the sport.

##### 5.2 **Eligible and Ineligible Projects**

Karting Australia, as Manager and Operator of the fund will be focused on supporting projects that are aligned to the purpose and objectives of the fund.

##### 5.2.1 **Eligible Projects**

Eligible projects include, but are not limited to:

- a. Circuit safety improvements (not maintenance) for example (but not limited to) replacement of wood chips with gravel catch traps;
- b. Development of new karting tracks where appropriate;
- c. Amenities including toilets, change rooms, showers, clubrooms and parking facilities;
- d. Viewing facilities, fencing, audio and visual technology;
- e. Grid structures, scrutineering and technical facilities;
- f. Track re-surfacing and upgrades;
- g. Shade structures;
- h. Flood lighting installations or upgrades.

### 5.2.2 Ineligible Projects

Ineligible projects include, but are not limited to:

- a. General maintenance;
- b. Projects that require ongoing funding assistance;
- c. Requests for ongoing assistance with operational cost;
- d. Related to routine or cyclical maintenance works;
- e. Purchase and/or lease of tools;
- f. Equipment finance.

Note: Clubs will need to discuss their proposals with their State Association and obtain their support.

### 5.3 Levels of Funding Assistance

- a. As the fund has been established to assist States and Clubs to improve karting facilities, it is expected that additional financial contributions to the project will be provided outside of the Infrastructure Development Fund by either the Club, State or other third parties.
- b. As a guiding principle, the Fund may support applications up to a maximum of 80% of the project costs. The normal maximum level of funding provided to a Club through the Infrastructure Development Fund will generally be capped at \$140,000.00.

### 5.4 Timelines

- a. Applications for funding are open year-round.
- b. Provided applications are received in the fully completed form and substance outlined within these guidelines, Karting Australia will endeavour to assess applications within 8 weeks.

### 5.5 Conditions of Funding

- a. Funding requests are NOT to be retrospective – i.e. that means the project must not have been undertaken prior to the Club/State submitting the loan application to Karting Australia.
- b. Infrastructure Development Funds are to be applied to the project.
- c. Infrastructure Development Funds may be released progressively in installments and/or may be paid direct to contractors. Such arrangements to be agreed.
- d. Funding requests are to be of a capital expenditure nature only
- e. Applicants must not have any overdue amounts, levies or debts owed to KA.
- f. Successful applicants will be required to enter into a Loan Agreement supplied by KA that will detail all the obligations and conditions of funding for the applicants.
- g. The applicants will enter into a Loan Agreement with KA using the standard Deed Of Loan supplied by KA.
- h. A senior representative of the State or Club must be designated as the Project Manager responsible for liaising with KA.
- i. Upon completion of the project, the applicant's senior representative is to provide a certificate of completion to KA confirming that all works have been completed.

### 5.6 Lodgement of Applications

Applications are to be submitted to CEO Karting Australia via Email: [admin@karting.net.au](mailto:admin@karting.net.au)

## 6. ASSESSMENT CRITERIA

Applications will be assessed against the following criteria:

### a) What will the project achieve?

Demonstrate the extent to which the project improves the karting facility and will lead to an increase in participation in karting at the Club.



**b) Why is the project required?**

Demonstrate the extent to which the project:

- Responds to identified needs and issues of the State/Club.
- Is supported strategically by the Club business plan.
- Is supported by government (if at all.)

**c) Who will be involved in the project?**

Demonstrate the extent to which the State/Club:

- Have consulted and collaborated with a variety of stakeholders (may include the local council, other clubs, community groups, local businesses) as appropriate.
- Will be managed by an appropriate team.

**d) How will the project be achieved?**

Demonstrate the extent to which the State/Club clearly identifies the project scope, cash flow and timelines.

**7. FURTHER INFORMATION**

For further information in relation to the Infrastructure Development Fund and/or the process for applying for a loan, please contact Karting Australia CEO at [admin@karting.net.au](mailto:admin@karting.net.au)

