

9.2.13 GO-KART PROJECT LOAN

FILE NO: 2023/345

RECOMMENDATION:

That Council acknowledge the letter received from the Bathurst Go-Kart Club and refer consideration of the repurposing of the remaining balance of the loan for the Go-Kart project to a future Councillor briefing session.

REPORT:

Councillors have received a letter from the Bathurst Go-Kart Club which in part references the loan that Council has borrowed for the proposed Go-Kart project. A copy of this letter is provided at **attachment 1**.

To clarify a couple of the comments mentioned in the letter:

- (a) The proposed internal loan from the sewer fund, is not required to pay the contractors who completed the Windy 1100 land release. The contractors for this project have already been paid.
- (b) The context of the quotation from the Director Engineering Services related to the required noise abatements for the very early proposal for the Go-Kart facility to be constructed on the former drive-in site. It was due to the noise abatements required, at that site as assessed by the acoustic consultant, that at the time would have made that project not economically viable.

The letter from the Bathurst Go-Kart Club is suggesting that the remaining balance of the loan that was borrowed by Council, be reallocated to other high priority projects that remain presently unfunded.

Councillors are aware from the recent budget development process, that Council has a number of projects that currently remain “below-the-line” and therefore unfunded. Accordingly, if Council was of a mind to reallocate these loan funds to another project(s), that this discussion be referred to a future Councillor briefing session, prior to a report being presented to Council.

FINANCIAL IMPLICATIONS:

There are no financial implications arising from the recommendation of this report.

BATHURST COMMUNITY STRATEGIC PLAN – OBJECTIVES AND STRATEGIES:

Objective 2: A smart and vibrant economy.

Strategy 2.5 Support Mount Panorama Wahluu as a premier motor sport and event precinct.

COMMUNITY ENGAGEMENT:

01 **Inform** - to provide the public with balanced and objective information to help them understand the problem, alternatives, opportunities and/or solutions.

ATTACHMENTS:

1. Letter from Bathurst Kart Club Redacted [9.2.13.1 - 5 pages]



PMB 17 BATHURST NSW 2795
council@bathurst.nsw.gov.au

4 June 2024

To Bathurst Regional Council,

I am writing to you on behalf of the Bathurst Kart Club (BKC) about *Kart Track Facility DA 2023/345*. The club respectfully requests the Council's consideration of a revised proposal for our long-awaited track, as outlined below.

Background

The BKC has been trying to find its home in Bathurst for more than 20 years. Bathurst and Mount Panorama are viewed across the globe as the spiritual home of Australian motor racing.

We are disappointed it has taken so long for our club to get to this stage, despite more than 3 successful development applications in the past. To our knowledge, no other Bathurst sporting club has had to fight so hard for a place to call home.

Our club has much to offer the Bathurst community, tourists, and the local economy. This facility will attract new and increased motorsport tourism and generate millions for the Bathurst economy. There is wide support for this project locally, nationally and internationally, from within the motorsport community and beyond.

Recent developments

- **The significant increase of false and misleading information concerning this DA, which has entered the public realm between September 2023 and today.** Most specifically at the Council-led submissions hearing on 12 March 2024 and, more recently, in a *Western Advocate* article published on 24 May 2024 in which the Mayor and Director of Engineering provided statements that, in our opinion, have misrepresented factual information dating back to 2001. The BKC possesses evidence demonstrating the falsity of several key statements. We are not suggesting this information has been provided maliciously, but it must be addressed.
- **The significant cost increases between the September 2023 and April 2024 Stage 1 cost estimates (see attached).** Overall, there is a 24% increase in costs indicating the cost increases cannot be explained by escalation alone. Line items 9 and 13 have seen increases ranging between 130 - 189%. A new line item has been added — upgrades to College Road. Historically, the BKC has always maintained our intention to provide a significant portion of the work required. Many of the estimated costs will not be borne by the Council; the BKC will complete the works at lower cost, such that the total capital cost will fall significantly below the \$5 million RPP threshold. Collaboration with the Council is required to ensure consensus that the current DA accurately reflects Stage 1 costs only, and Stage 2 costs should be re-costed out of the proposal.



- **The BKC has been recently informed of potential litigation threats against the Council from Harness Racing NSW regarding the cost estimate associated with the Kart Track Facility DA.** This development is deeply concerning and comes despite demonstrably strong and documented support for the project from the Bathurst Harness Club since this site was chosen.
- **The lack of land sales in the Windy 1100 subdivision forcing the Council to request to borrow money so it can manage its cash flow.** The BKC cannot, in good faith, expect any further financial support from the Council given the extreme nature of this financial stress. Priority must be given to the payment of contractors for Windy 1100 and the provision of other vital services to our region. All available funds must be utilised to achieve this. That being said, we cannot ignore the significant expense already incurred by the Council and, to a lesser extent, our Club to get this DA to its current stage. To ignore this and the 20-year history of this project would be inconceivable.

BKC has spent significant time and difficulty coming to terms with the current situation and aims to propose what we believe to be the best way forward for all parties.

Legal concerns

The BKC has retained legal counsel to investigate the aforementioned developments and the overall course of events surrounding the Kart Track Facility DA. This investigation includes a comprehensive review of the documentation provided, dating back to 2001, and will take some time.

We believe it to be both fair and reasonable that the BKC is allowed time to understand our legal rights (separate from the Council's), should Harness Racing NSW wish to proceed with litigation through the Land and Environmental Court.

Our legal counsel is thoroughly scrutinising the revised cost estimate, to understand Harness Racing NSW's concerns about the new amount and to explore how and why these figures were achieved since the previous cost estimate. It is also worth noting the BKC has incurred significant expenses over the last 20 years and is one of the two key stakeholders in this project.

Once we have a clear understanding of our position, we hope to provide this to the Council so that a mutually agreed path forward can be navigated.

Our requests

In light of the recent developments and the concerns expressed above, the BKC respectfully requests the following from the Council and its elected body:

1. **A deferral of the Kart Track Facility DA vote for 9 months, from June 2024 to March 2025.** The BKC requests a motion is raised and voted on at the forthcoming June Ordinary Council meeting to formally establish the deferral of the DA vote for a minimum period of 9 months.
2. **The BKC formally relinquishes any prioritised access to the remainder of the \$2.25 million loan, originally sought to contribute to funding this project.** Please remove any "carried over" budget allocation for the Kart Track Facility DA from the budget and expedite the release of this loan, should it assist with documented cash flow issues concerning Windy 1100 contractors.



3. **Contingent upon the DA's approval in 2025 and a collaborative effort revising the cost estimate, the BKC commits to self-securing the funding for 100% of Stage 1 expenses.** In this scenario, the BKC's sole request from the Council would be provision of the land in-kind, and guidance/support in navigating the grant application process, if required. Funding will be procured through a combination of grant applications, securing major sponsorships, receipt of donations, and undertaking general fundraising initiatives.
4. **For legal clarity, it is important to note that the development of Stages 2 and onwards (encompassing the clubhouse, amenities, or starters tower) is NOT a mandatory requirement for the track's legal operation or successful functionality.** The BKC has long been committed to providing these aforementioned Stage 2 services on a temporary ad-hoc basis and at no cost to the Council until the Club achieves the financial standing necessary to fund the construction of permanent infrastructure. This is common practice for kart clubs in their early stages of building membership.
5. **Collaboration between the Council, our Club and the Bathurst community to create and present a major Community Forum Event in early 2025 to correct the false and misleading information concerning this DA.** We hope to make this a positive and uplifting event, where the BKC in collaboration with the Council can present our vision to the community in a fair and balanced public space. We have some exciting ideas about how to execute this with some karts providing demos, including our custom-built accessible kart, some famous faces from V8 Supercars making an appearance, and support from our major donors.

Ongoing sound monitoring and additional mitigation

The BKC is sensitive to the concerns of the community about the acoustics and hopes to engage in meaningful dialogue about this issue. This is why we must stress — the acoustic report is based on a “worst-case scenario”, a scenario virtually impossible in its likelihood to ever occur.

We want to help the community understand what this means by providing real-life demonstrations during the Community Forum Event in addition to presenting some concepts we have built to assist neighbours with monitoring sound levels during the first year of operation.

For example, the BKC could commit to the purchase and installation of a wireless sound level sensor for residential and commercial properties within a specified proximity to the track, upon application/request.

Upon installation, the occupant would formally agree to provide the data to the BKC and the Council every quarter for the first year of operation. In addition to any applicable sound complaints, this data would be put forward for consideration by the Council, the BKC and Councillors at a joint working party.

After the first year of operation and the subsequent evaluation, should any increased sound mitigation be deemed necessary by the Council, this can be explored. “Further sound mitigation” might include, but is not limited to, increasing the acoustic mound or further restrictions upon race meets during the second year of operation and beyond.

Whilst the above concept is just an idea, this sort of innovative thinking could be a starting point for meaningful discussion with the community about this topic.



Conclusion

The BKC is deeply committed to ensuring a fair and considered decision-making process for the Kart Track Facility DA. Our deferral request will allow for a comprehensive review of all facts and perspectives, fostering a more informed outcome that best serves the interests of the Council, the Club, and the entire Bathurst community.

The Club is confident that through open communication, a positive resolution can be achieved. We look forward to the Council's consideration of our requests and a collaborative path forward.

Sincerely,

Mark Dunbar
Bathurst Kart Club President



Attachment

Kart Track Facility DA cost comparison

DESCRIPTION	28/09/2023	12/04/2024	\$ Increase	% increase
1 Preliminaries	207,000	207,000	-	0%
2 Documents & Approval Certificates	169,000	169,000	-	0%
3 Design	30,000	30,000	-	0%
4 Environmental Requirements, Erosion Control	10,000	10,000	-	0%
5 Site Restoration, Landscaping	170,370	236,300	65,930	39%
6 Earthworks	396,940	597,648	200,708	51%
7 Track Construction	1,305,250	1,417,900	112,650	9%
8 Track Runoff, Subsoil Drainage Construction	188,275	188,275	-	0%
9 Pits, Paddock Construction	161,100	464,950	303,850	189%
10 Stormwater Infrastructure	314,245	395,995	81,750	26%
11 Water Infrastructure	89,000	97,500	8,500	10%
12 Sewer Infrastructure	4,000	4,000	-	0%
13 Electrical Infrastructure	272,120	627,120	355,000	130%
14 Telecommunications Infrastructure	146,700	146,700	-	0%
15 Site Furniture incl Buildings	240,000	415,800	175,800	73%
16 College Rd Upgrades	1	48,025	48,024	4802400%
10% Contingency on items 1-16	370,400	505,621	135,221	37%
Subtotal	4,074,401	5,561,834	1,487,433	37%
Provisional Site Conditions \$280,000	280,000	280,000	-	0%
1000m length, 8m width upgrades	125,550	-	- 125,550	-100%
Acoustic Mound	249,990	-	- 249,990	-100%
TOTAL	4,729,941	5,841,834	1,111,893	24%