

M3 Pam Grant



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Dear ,

I write with important information on club funding matters and prizemoney levels for the new financial year.

New Sector Categories

As previously advised, GRNSW has made small changes to the category names attributed to each of the sectors within the industry. These new categories as shown below align with the GRNSW grading policies:

- A1 - Wentworth Park Saturday night
- A2 - Wentworth Park Friday night
- B - All full prizemoney TAB meetings
- C - All meetings previously known as 'TAB C'
- D - All Non-TAB meetings

From a participant's perspective, there is no differentiation at a category level between 'B' meetings as the meetings are graded identically and standard prizemoney is the same. However, for club administrators a difference still exists in Meeting Loading payments, so for the purpose of Scheme of Distribution matters, Category B clubs will be referred to as either B+ (previously TAB, category A) or B (previously TAB, category B).

Scheme of Distribution

The GRNSW Board has confirmed changes to the Prizemoney and Administration levels. The table below shows the per meeting amounts effective for meetings run on Saturday 7 July 2012 onwards:

Category	Prizemoney Component	Meeting Loading	Administration Allowance
TAB B+	17,890	1,600	\$4,930
TAB B	17,890	850	\$4,930
TAB C	8,610		\$3,100
TAB C (Weekday Day Slot)	8,610		\$3,760
Non-TAB	5,200		\$1,300

Notes:

- 1) In the TAB sector the Prizemoney Component shown is based on the 'Standard' meeting construction, which is unchanged in 2012/13. The actual amount paid is determined by the grades and distances of races actually run.
- 2) The weekday day timeslot for TAB C racing attracts a higher Administration Allowance to offset lost income
- 3) Non-TAB Administration Allowance continues to include the On-Course Vet assistance.



Please also find enclosed a document listing the new minimum per race prizemoney levels for the TAB sector which will come into effect on 7 July 2012.

You are reminded that all amounts paid to the club as Prizemoney Component must be paid out as prizemoney throughout the course of the financial year in order for the club to be eligible for a Club Incentive Scheme payment. Clubs must also trade at a positive EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) to be eligible. GRNSW will correspond with you separately in August with regard to the 2011/12 Incentive Scheme payment and the scheme's ongoing operation.

You are reminded that your club remains on the Standard funding model where no payment is made for races over 10 per meeting and funding is lost for those races not run if less than 10 were held.

If you have any questions on the above matters, please don't hesitate to contact me on 8767 0525.

Yours sincerely,

DARREN SIMPSON
Chief Operating Officer

Ms Pam Grant



15 March 2013

Geraldine Ricketts
Secretary
Young & District Greyhound Racing Club
PO Box 180
Young NSW 2594

Via E-mail

Dear Geraldine,

I write with regard to the 2013/14 Non-TAB race date allocations.

As you are aware, the Board of GRNSW has been engaged in a review of the future direction of our sport over recent times. Driving this review are difficult financial times ahead. As clubs will appreciate, the greyhound racing industry is highly reliant on returns from the wagering industry. TAB distributions to be received by the NSW racing industry are forecast to be stagnant or negative for the foreseeable future. Returns received from race fields legislation, with the current legislative restrictions in place, are not projected to grow at a rate to offset this TAB distribution decline.

On current trends, the sport has two years to act and envision a more dynamic and sustainable business model as it will not have the financial capacity to continue to fund the current level of industry expenditure thereafter. The financial projections, which have been independently verified by Moore Stephens, show the quantum of the financial challenge facing the sport to be \$5 million in profit enhancement per annum. Without corrective action starting now, the sport will not be able to sustain the current level of expenditure within two years.

With that in mind the GRNSW Board has elected to make savings in the Non-TAB sector via a reduction in the number of funded meetings. While GRNSW is fully aware that the cuts to meeting numbers shown in the proposed allocations below will come as somewhat of a shock to some clubs, the GRNSW Board has elected to make changes to meeting numbers in preference to reducing the number of clubs / tracks.

All clubs have had meeting numbers adjusted to one of three standard allocations, being either 20, 16 or 12 meetings. It is intended that the allocations will allow for participants to have access to racing within their general geographic area at least once a week.

The proposed Non-TAB meeting allocations for 2013/14, with the current year also shown for comparison, are as follows:

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Club	2012/13	2013/14
	Allocated	Proposed
Armidale	14	12
Broken Hill	24	20
Casino	1	0
Coonabarabran	14	12
Coonamble	17	16
Cowra	19	16
Dubbo	2	0
GBOTA Appin	28	20
GBOTA Gunnedah	25	20
GBOTA Temora	28	20
Kempsey	26	20
Lithgow	38	20
Mudgee	14	12
Muswellbrook	28	20
Potts Park	22	20
Taree	26	20
Tamworth	20	20
Tweed Heads	38	20
Wauchope	24	20
Young	19	16
Total	460	324

GRNSW has held a meeting with the executive of the Greyhound Racing Clubs Association to discuss the allocations and also the various options that may be open to clubs for consideration as the landscape changes.

By way of example, all clubs will have the option to request that additional meetings are added to the schedule, however those meetings must be fully self-funded. Alternatively, if clubs wish to explore the option of running meetings with lower prizemoney levels (for example, running two 'half-prizemoney' meetings in lieu of one full prizemoney meeting) GRNSW would be happy to accommodate such requests.

Further, the subject of mergers, amalgamations or consolidations was a topic raised in discussion with the GRCA executive and GRNSW would be happy to discuss the associated benefits which may come with going down one of those paths.

GRNSW is now requesting feedback from all clubs on the proposed race date allocation. You are not obliged to respond, but should no response be received GRNSW will consider that your club is comfortable with the proposal. If you do wish to provide feedback, please respond directly to me by no later than Friday 12 April 2013. The GRNSW Board will consider any feedback received at its April meeting before adopting the final allocations. I would anticipate that the full meeting-by-meeting calendar would then be completed in early May.

Should you have any queries regarding the above, please feel free to contact me to discuss.

Yours sincerely

DARREN SIMPSON
Chief Operating Officer

Ms Pam Grant



9 May 2013

Geraldine Ricketts
Secretary
Young & District Greyhound Racing Club
PO Box 180
Young NSW 2594

Via E-mail

Dear Geraldine,

I write to advise you of the final decision regarding Non-TAB race date allocations and funding for the 2013/14 financial year.

As you are aware, the Board of GRNSW recently released a proposed allocation of Non-TAB race dates for the upcoming year and requested feedback on the proposal. After considering the representations that were received the Board has elected to make major changes to the way the Non-TAB sector operates, with a view to providing Non-TAB clubs with increased autonomy and certainty.

All clubs in the Non-TAB sector will now be advised of one lump sum in funding which GRNSW will provide to the club to finance its operations throughout the financial year. The money will be paid in equal monthly instalments to clubs, however flexibility will be available upon request and subject to GRNSW cash flow constraints.

In conjunction with the funding change, all Non-TAB clubs will now be permitted to choose the number of race dates it wishes to hold, with full knowledge of the amount of funding the club will receive from GRNSW for the entire year.

The lump sum funding model will mean that the following payments are abolished, being replaced by the one lump sum:

- Prizemoney Allowance
- Administration Allowance
- Club Incentive Scheme
- Club Partnership Grants (CPG)
- Book-Keeper Funding

The Club Incentive Scheme payment for the current (2012/13) financial year will be paid to eligible clubs in August 2013, however this will be the final payment from this scheme.

The table on the following page shows the 2013/14 funding levels for all Non-TAB clubs. Importantly, for increased certainty, the Board has determined that this model will be in place for the next two financial years, with a review to take place prior to the 2015/16 financial year.



2013/14 Non-TAB Club Funding

Club	2013/14 Funding
Armidale	\$78,772
Broken Hill	\$135,038
Coonabarabran	\$78,772
Coonamble	\$95,652
Cowra	\$106,905
GBOTA Gunnedah	\$140,665
GBOTA Temora	\$157,545
Kempsey	\$146,292
Lithgow	\$157,545
Moree	\$95,652
Mudgee	\$78,772
Muswellbrook	\$157,545
Potts Park	\$123,785
Taree	\$146,292
Tamworth	\$112,532
Tweed Heads	\$146,292
Wauchope	\$135,038
Young	\$106,905
	\$2,200,000

In order to remain eligible to receive the GRNSW funding shown above, Non-TAB clubs will be required to adhere to the following conditions:

- 1) All Operating Standards must be adhered to. (Specific racing standards will be reviewed based on the number of meetings each club elects to conduct);
- 2) All conditions of registration of a race club must be adhered to;
- 3) A Vet must be in attendance at all meetings;
- 4) A Club Steward must be engaged at all meetings;
- 5) A race meeting must consist of a minimum of six races;
- 6) A club must give a minimum of one month's notice to add or remove a race meeting from the schedule;
- 7) Clubs must adhere to scheduling guidelines which avoid direct clashes with TAB and Non-TAB racing in the region, with GRNSW required to approve the final schedule;
- 8) An amount equal to no less than 60% of the lump sum funding provided by GRNSW must be paid out as prizemoney throughout the financial year. (Prizemoney verification processes currently conducted by GRNSW will continue in order to monitor this requirement);
- 9) All clubs are to promote and convene an Education Seminar for participants in their region once every two years where GRNSW staff will present on latest trends and topics.

Deductions from club payments will continue for GRNSW co-ordinated items such as Finish Lynx photo finish services, Public Liability Insurance and Voluntary Workers Insurance.

The GRNSW Board has also recently approved changes to the way in which MVIA (Maintenance and Venue Improvement Allowance) funding will operate from the commencement of the new financial year. Whilst you will receive separate communication from GRNSW on how the new fund will work, it will cover racing, safety and welfare style spending and will remain at \$10,000 per Non-TAB club. This will be the only funding that remains separate to the lump sum shown above.

As outlined in a separate letter earlier this week, GRNSW will soon be moving to centralised grading of Non-TAB meetings to a single NSW Grading Policy (specifics of the policy are currently subject to consultation). This will reduce the workload at club level with grading no longer required. Further, once GRNSW's OzChase system is operational, results will no longer need to be entered into the DeFax system. I will provide you with more details on these changes separately, including the dates on which processes will change. Further information will also be forthcoming about changes to race book production upon the move to OzChase.

It is now very important that your club considers the funding level shown in the table and makes a decision on the number of race meetings it wishes to run in 2013/14. I re-iterate that there are no restrictions on the number of race meetings a club can hold, however, scheduling in direct competition to a TAB meeting or another Non-TAB meeting in the same region is not preferred.

There are also no restrictions on the amount of prizemoney a club must pay for any one race or any one race meeting. The only requirement is that an amount equal to no less than 60% of the total funding shown in the table above is paid as prizemoney throughout the full financial year.

I now request that your club determines the number of race dates it wishes to conduct and commences scheduling those dates. I have provided a spreadsheet which includes all final GRNSW TAB dates for 2013/14 as well as all Thoroughbred and Harness dates (both TAB and Non-TAB). If you have trouble either accessing or operating the spreadsheet, please contact Tess Simmons of this office for assistance on 8767 0526.

Once your club has determined its preferred number of race dates, please liaise with the other clubs in your region to formulate a meeting schedule. If clubs cannot agree on a schedule, I will be happy to convene a teleconference to assist. The final deadline for all schedules is **Monday 27 May, 2013** as I will look to collate the information received and provide a full Non-TAB schedule to all clubs (and load onto thedogs.com.au website) by the end of May. Please send your final date schedule to Tess Simmons by email at tsimmons@grnsw.com.au or by fax to 9764 6244.

The changes that the GRNSW Board have implemented are aimed at providing racing opportunities to participants across NSW, while also acknowledging that the Non-TAB sector is the hobby or community element of the sport. It is hoped that clubs can now plan positively for the future and co-ordinate their volume of racing and other club activities with a renewed level of autonomy and discretion.

Should you have any queries regarding any of the above, wish to discuss details around how your funding may be structured, or need assistance with scheduling, please feel free to contact me.

Yours sincerely

DARREN SIMPSON
Chief Operating Officer